



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, June 11, 2019

1:30 P.M.

(Approved June 25, 2015)

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 1:36 PM.
2. Roll Call
Present: Vietor, Moran, Maxwell and Paulson
3. Approval of the Minutes of May 28, 2019
*On Motion to approve the Minutes of May 28, 2019:
Ayes: Vietor, Moran, Maxwell and Paulson*

No public comment.
4. General Public Comment
- Francisco DaCosta discussed the SFPUC's water source and water rights. He noted there are state mandates for uses linked to new development projects. He discussed a requested audit of the SFPUC.
5. Communications
 - a) Advance Calendar
 - b) Correspondence Log
 - c) Contract Advertisement Report
 - d) Water Supply Conditions Update

Public Comment Item 5d
- Peter Drekmeier, Tuolumne River Trust, thanked staff for the Water Supply Conditions updated. He presented a graph of the Regional Water System Total Deliveries 2013, 2018, and 2019. He stated it is necessary to look at future projections.
6. Report of the General Manager
 - a) CleanPowerSF (CPSF) Update
Barbara Hale, Assistant General Manager (AGM) Power, reviewed (1) enrollment and service to customers: Opt-out rate is at 3.3% and the SuperGreen upgrade rate is at 1.6%; (2) Peak Day Pricing Pilot: Program for commercial customers encouraging reduced consumption during peak periods to reduce costs. Eleven customers have signed-up with more expressing interest. AGM Hale reviewed how the "event day" notice is provided to customers and implemented; and (3) Rates implementation: PG&E received approval for their generation and exit fee (PCIA) rates effective July 1st. An adjusted schedule of CleanPowerSF rates and charges will be presented to the Commission for consideration at the June 25, 2019 regular meeting.

AGM Hale responded to a question from Vice President (VP) Vietor as to how often an "event day" may occur. She requested an update when pilot program data becomes available. Brief discussion ensued.

AGM Hale responded to a question from Commissioner Maxwell as to whether the pilot program will be expanded to residential customers.

Public Comment

- *Aleta Dupree expressed support for “time-of-use” electricity and requested clarification regarding citywide enrollment and power demand service.*

AGM Hale provided clarification regarding citywide enrollment figures.

- *Francisco DaCosta questioned who controls the high-power lines. He asked about the quality of the stacks and about CPSF billing method.*

AGM Hale responded to a question from Commissioner Maxwell regarding PG&E’s planned power outages. She discussed the various transmission line owners and provided clarification to Mr. DaCosta’s question regarding CPSF billing.

President Caen arrived at 2:00 PM.

AGM Hale responded to a question from Commissioner Paulson as to whether PG&E provides notice when a blackout is planned.

- *Unknown speaker questioned PG&E’s power shut-off to San Francisco. He discussed CPSF’s energy mix.*

b) Bay Delta Water Quality Control Plan Update

Steve Ritchie, AGM Water, provided an update regarding discussions surrounding the voluntary agreement. He indicated further updates will be provided after the June 30th status report. Discussion ensued.

AGM Ritchie responded to a question from VP Vietor regarding discussion with districts regarding fish flow measures.

In response to a question from Commissioner Maxwell, AGM Ritchie discussed weather prediction and probability, and a question as to what the three most important parts of the voluntary agreement are.

Public Comment

- *Francisco DaCosta stated the Commission needs to read the Raker Act and meet with elders of the First People.*
- *Peter Drekmeier, Tuolumne River Trust, indicated they were not invited to participate in the voluntary agreement discussions, noting conversations in which they have been involved. He discussed design drought.*

c) Sewer System Improvement Program (SSIP) Quarterly Report

Howard Fung, Interim Wastewater Enterprise Capital Program Director, indicated 30.06% of Phase 1 Projects are complete with \$0.781B expended. He briefly provided updates for the Biosolids Digester Facilities Project, Southeast Plant (SEP) New Headworks Facility Project, and other Phase 1 Projects. He touched on the following construction projects: Baker Beach Green Street, SEP 521/522 & Disinfection upgrades, and Oceanside Plant condition assessment improvements. He reviewed the SSIP jobs report and program updates.

Director Fung confirmed for Commissioner Maxwell that of the \$781M in expenditures, \$1.5M have been for apprenticeships.

Commissioner Paulson requested a breakdown of the \$1.5M apprenticeship expenditures. GM Kelly, Jr. provided information regarding expenditures and brief discussion ensued.

Public Comment

- Francisco DaCosta stated that Bayview Hunters Point needs immediate attention regarding quality of life issues.

- d) Wastewater Enterprise Capital Improvement Program Quarterly Report
Director Fung presented the report emphasizing three projects that forecast schedule extensions beyond the approved six-month schedule: (1) Southeast Plant Distributive Control System Upgrade Project; (2) Westside Pump Station Reliability Improvement Project; and (3) Griffith Pump Station.

He responded to a question from Commissioner Maxwell regarding the difference between the engineer's estimate and the bids received for the Westside Pump Station Reliability Improvement Project. She questioned how the difference is resolved.

No public comment.

- e) Report on Recent SFPUC Activities, Events and Announcements
None.

7. Other Commission Business

GM Kelly, Jr. responded to questions from President Caen as to who is responsible for the maintenance of Hetch Hetchy and Evergreen roads, and a question from VP Vietor as to who is responsible for the procurement of cleaning supplies at Hetch Hetchy facilities.

No public comment.

8. Consent Calendar:

- a) Approve the addition of scope to provide Distributed Control System (DCS) services at North Shore Pump Station and an increase of \$5,100,000 to the existing \$2,042,500 cost contingency for Contract No. DB-126, Wastewater Enterprise DCS Upgrades; and authorize the General Manager to approve future modifications to the contract for a total revised contract amount of up to \$27,567,500, with no change to the contract duration. ([Resolution 19-0109](#))
- b) Accept work performed by J. Flores Construction, Inc. for Contract No. WW-630, As-Needed Spot Sewer Replacement No. 35, for a total contract amount of \$8,522,705, and with a total contract duration of 409 consecutive calendar days; and authorize final payment to the contractor. ([Resolution 19-0110](#))

*On Motion to approve the Consent Calendar Items 8a and 8b:
Ayes: Caen, Vietor, Moran, Maxwell and Paulson*

No public comment.

9. Workshop: Overview of the Sewer System Improvement Program (SSIP) including environmental justice analysis and workforce development strategies. *Director Fung began with a summary of priority challenges including aging infrastructure, seismic safety, operational reliability, and climate change. He provided a brief history of the SSIP and continued with discussion of SSIP: Grey (system and seismic reliability and redundancy), Green (stormwater management solutions), and Clean (protecting public health and the environment) programs; Level-of-Service (LOS) goals; and provision of community benefits. He reviewed SSIP Phase I Projects (\$2.9B); SSIP baseline budget (three phases) with subprograms of treatment plants, collection system, land reuse, and program management.*

GM Kelly, Jr. and Director Fung responded to a question VP Vietor regarding the Bayside Tunnel Project.

GM Kelly Jr. responded to a question from Commissioner Maxwell regarding actions requested by Environmental Protection Agency. She stated that the projects shouldn't be short-sighted.

Director Fung continued with presentation of Southeast area upgrades (\$2.134B), project delivery models (Design-Bid Build and Construction Manager/General Contractor (CM/GC), standard project delivery process, alternate project delivery process, CM/CG advantages and considerations, and review of topics for SSIP monthly Commission reporting.

Director Fung and GM Kelly, Jr. responded to questions from Commissioner Maxwell as to how CM/CG contractors are selected, workforce requirements, and the 35% design requirement. Discussion ensued.

Yolanda Manzone, Deputy AGM External Affairs, presented the SFPUC's Environmental Justice (EJ) Program: Biosolids EJ purpose and goals, EJ analysis analytical components, EJ indicators and those carried forward for impact analysis review, and Biosolids EJ Project commitments. Discussion ensued on particulate matter thresholds. She concluded with noting EJ commitments for the new community center at 1550 Evans.

Deputy AGM Manzone responded to a question from Commissioner Maxwell regarding shadowing, internship, and other opportunities for people of color. She requested that those individuals be made visible.

VP Vietor thanked staff for the EJ analysis and community benefits work.

Masood Ordikhani, Project Manager, concluded the presentation with a discussion of local worker requirements (construction, professional services/pre-construction, Project Labor Agreements, and Jobs Training and Opportunities Program, initial SSIP local hiring results, contractor engagement and inclusion, and initial SSIP LBE results.

GM Kelly, Jr. provided closing comments.

Commissioner Maxwell thanked staff for listening to the community and thanked the Commission for their work.

Mr. Ordikhani responded to a question from Commissioner Maxwell as to how community members, including high school and college students, are targeted for career jobs and if there is follow-up to ensure those people are successful.

No public comment.

10. Authorize the General Manager to execute a Memorandum of Understanding with the Office of Community Investment and Infrastructure defining roles and responsibilities related to the maintenance of green infrastructure facilities that treat stormwater runoff from the public rights-of-way in the Mission Bay South redevelopment project area. ([Resolution 19-0111](#))

Commissioner Moran asked if the division of responsibility for green infrastructure maintenance, as outlined in the MOU, provides the SFPUC as permit holder with the authority to meet and stay in compliance with permit requirements. Deputy City Attorney provided response that it does.

On Motion to approve Item 10:

Ayes: Caen, Vietor, Moran, Maxwell and Paulson

No public comment.

11. Approve the form of, and authorize the General Manager to execute, multiple documents together constituting a credit facility agreement in the principal

amount not to exceed \$200 million with Sumitomo Mitsui Banking Corporation to replace an expiring agreement of the Water Interim Funding Program that provides interim funding of the Water Enterprise capital program, with an initial term of three years and an initial annual fee of \$675,800, and a five-year option to extend for a total term of up to eight years. ([Resolution 19-0112](#))

Rich Morales, Debt Manager, provided a summary of the water interim funding program, recommended replacement credit facility and terms, and reviewed the request to approve Forms of Agreements in the principal amount not-to-exceed \$200M with Sumitomo Mitsui Banking Corporation.

Mr. Morales responded to questions from Commissioner Maxwell regarding the irrevocable letter of credit and from President Caen regarding SFPUC's rights to terminate if the bank's credit rating drops.

On Motion to approve Item 11:

Ayes: Caen, Vietor, Moran, Maxwell and Paulson

No public coment.

The Commission Secretary read items 12 through 16 together:

12. Approve the Revised Water Supply Assessment (WSA) for the proposed 542-550 Howard Street 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 19-0113](#))
13. Approve the Revised Water Supply Assessment for the proposed 3333 California Street Project, pursuant to the State of California Water Code Section 10910 et seq., California Environmental Quality Act Section 21151.9, and CEQA Guidelines Section 15155. ([Resolution 19-0114](#))
14. Approve the Water Supply Assessment for the proposed 30 Van Ness Avenue Project, pursuant to the State of California Water Code Section 10910 et seq., California Environmental Quality Act Section 21151.9, and CEQA Guidelines Section 15155. ([Resolution 19-0115](#))
15. Approve the Water Supply Assessment for the proposed 725 Harrison Street Project, pursuant to the State of California Water Code Section 10910 et seq., California Environmental Quality Act Section 21151.9, and CEQA Guidelines Section 15155. ([Resolution 19-0116](#))
16. Approved the Revised Water Supply Assessment for the proposed 10 South Van Ness Project, pursuant to the State of California Water Code Section 10910 et seq., California Environmental Quality Act Section 21151.9, and CEQA Guidelines Section 15155. ([Resolution 19-0117](#))

AGM Ritchie introduced the items emphasizing action is not an approval of any particular project but rather indicates that a water supply assessment has been

conducted for the project. He stated changes to the WSA's that were requested at the June 11, 2019 meeting by VP Vietor have been incorporated into the WSA items for consideration. He noted the difference between the WSAs and the revised WSAs.

AGM Ritchie responded to a question from VP Vietor as to whether conversations are taking place with the Planning Department regarding water supply and State Water Board actions.

On Motion to approve Item 12:

Ayes: Caen, Vietor, Moran, Maxwell and Paulson

Public Comment

- Peter Drekmeyer, Tuolumne River Trust, discussed his presentation to the Planning Commission. He made three requests of the SFPUC: (1) Planning Department, SFPUC, and environmentalists meet; (2) That 276' office space per employee be used in the formula rather than 240' per employee; and (3) That WSAs look at cumulative effects of additional housing thus the need for additional water. He stated current ratepayers pay higher rates for development projects.

On Motions to approve Items 13, 14, 15 and 16:

Ayes: Caen, Vietor, Moran, Maxwell and Paulson

No public comment on Items 13, 14, 15 and 16.

17. Approve the award of a Green Infrastructure Grant to the San Francisco Unified School District (SFUSD) to design, and if the project proceeds, construct stormwater management features at Lafayette Elementary School, and authorize the General Manager to execute a Green Infrastructure Grant Agreement with SFUSD for a duration of 20 years and for an amount up to \$489,142. ([Resolution 19-0118](#))

Sarah Bloom, Project Manager, responded to concerns from Commissioner Maxwell regarding the language "if the project proceeds". Deputy City Attorney Roddy provided additional comment indicating the language is written per California Environmental Quality Act requirements. Commissioners Maxwell and Vietor requested that in future items the CEQA requirement be clearly included in the agenda item summary.

On Motion to approve Item 17:

Ayes: Caen, Vietor, Moran, Maxwell and Paulson

No public comment.

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, Vietor, Moran, Maxwell and Paulson

The Commission entered Closed Session at 4:52 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)

Unlitigated Claim

Farmers Insurance Exchange v. City and County of San Francisco

Unlitigated File No.19-00594/Date Filed: September 7, 2018

Proposed Settlement of claim with the claimant's release of all claims and the City to pay claimant \$300,472.

(Resolution 19-0119)

The Commission exited Closed Session at 4:55 PM.

21. Announcement Following Closed Session

None.

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: Caen, Vietor, Moran, Maxwell and Paulson

23. Other New Business

Commissioner Moran stated that WSAs are predicated on issues the SFPUC wants to commit to and from studies and analysis prepared for other purposes, but that they don't reflect adopted SFPUC policy. He presented two issues: (1) when making extreme rationing cutbacks the SFPUC will not go below 38% for residential customers; and (2) the SFPUC commitment to maintain the level-of-service in the face of regulatory action and demand growth. He requested the items come back to the Commission for the establishment these items as SFPUC policy so future WSAs are not in a position of doubt as to how assessments are made. Brief discussion ensued.

Commissioner Maxwell requested that GM Kelly, Jr. attend a Planning Commission to present challenges the SFPUC faces with the State Water Board.

24. Adjournment

President Caen adjourned the meeting at 5:09 PM.