



**SAN FRANCISCO PUBLIC UTILITIES COMMISSION**

City and County of San Francisco

**London N. Breed**

Mayor

**REGULAR MEETING MINUTES**

**Tuesday, January 23, 2024**

**1:30 PM**

**(Approved February 13, 2024)**

1 Dr. Carlton B. Goodlett Place  
City Hall, Room 400

**Commissioners**

Tim Paulson, President

Anthony Rivera, Vice President

Sophie Maxwell

Newsha Ajami

Kate H. Stacy

Dennis J. Herrera

General Manager

Donna Hood

Commission Secretary

1. Call to Order

*President Paulson called the meeting to order at 1:35 pm.*

*The Commission Secretary announced that items 6 and 15 would not be heard.*

2. Roll Call

*Present: Paulson, Rivera, Ajami, Maxwell, and Stacy*

3. Approval of the Minutes of January 9, 2024

*Ayes: Paulson, Rivera, Ajami, Maxwell, and Stacy*

*On motion to approve the Minutes of January 9, 2024:*

*Ayes: Paulson, Rivera, Ajami, Maxwell, and Stacy*

*No public comment.*

4. General Public Comment

- *(Inaudible) discussed the Emmerson Community Hunter's Point Bayview Economic Development commitment. He posed questions related to the new wastewater treatment facility; and to the status of commitments that were made to the community*
- *Francisco DaCosta discussed matters presented at the first budget hearing and stated the Commission must be careful when spending funds related to the Sewer System Improvement Program. He discussed the role of the Contractor Assistance Center and the Southeast Community Center and asked for additional resources to assist the community.*
- *LaSonja Mansfield, Mansfield and Mansfield Construction Cleanup requested that funds be set aside for the Bayview and for the reinstatement of the Stationary Engineer program.*
- *Spreck Rosekrans, Restore Hetch Hetchy thanked the Commission for supporting improvement projects around Hetch Hetchy including the Palma Falls Bridge, O'Shaughnessy boat ramp, for bringing potable water to the campsite, and for working with the Park Service for interpretation improvements.*

5. Report of the General Manager (GM)

a) San Francisco Public Utilities Commission Human Resources Update

*Wendy Macy, Chief People Officer (CPO) reviewed the downward trending vacancy rate for permanent funded positions since FY20/21. She discussed the vacancy rate for permanent funded position vacancy rate) for each bureau and enterprise. She indicated there is a permanent-funded position vacancy rate of 24.6%, with 2,666 total permanent-funded positions and 655 vacant permanent-funded positions. She reviewed employee net change per fiscal year for permanent-funded positions.*

*CPO Macy reviewed efforts for continuous improvements in HRS and discussed the re-vamp of "Talent Acquisition" to eliminate silos. She outlined objectives of (1) Balanced workload and support systems; (2) Increased process efficiency; (3) Improving hiring stage transitions; (4) Streamline communication; (5) Provide effective customer service; and (6) Create more opportunity.*

*She concluded with a review of expanded recruitment and outreach efforts and offered recruitment strategy highlights.*

*President Paulson thanked CPO Macy for her presentation, for the innovation of the*

*HRS team, and for their efforts to address benchmarks. He discussed the path to obtain a 7372 Stationary Engineer position. CPO Macy indicated that staff is working on strategies and classification to assist with career opportunities.*

*Commissioner Maxwell questioned the total number of “transactions”. CPO Macy emphasized that the movement of current employees across the organization are also considered “transactions” and these movements take staff resources and time and should be considered when evaluating the total work done by staff.*

*Commissioner Maxwell questioned the “revamp” and asked if HRS in a position to do the work to fill positions going forward. CPO Macy stated the HRS process can take a long time and that it includes Civil Services processes, noting the average number of days to fill a position has been reduced to 175 days. She indicated there is movement in the right direction and that the number of candidates is increasing.*

*Melissa White, Deputy CPO responded to questions from Commissioner Ajami as to how “transactions” are calculated; how job titles are determined; data on applications; and if comments are received regarding the application process.*

*Commissioner Rivera requested that the community be included on candidate outreach.*

*Commissioner Stacy discussed vacancy rates pre-and-post COVID. She provided comments on the Civil Service process and the “classification” titles vs. “working””, noting more flexibility with the former.*

*Deputy CPO White addressed Commissioner Ajami’s question on the recruitment testing process, including the Department of Human Resources test batteries which are tailored to multiple classifications.*

#### Public Comment

- *Francisco DaCosta discussed the Hyperlocal Building Trades Collective. He stated the Stationary Engineers position was originally tied to the treatment plant.*
- *Demetrius Williams, President-Elect, San Francisco Hyperlocal Building Trades Collective stated they have youth ready for Stationary Engineer opportunities, and that the Collective represents all trades to make sure youth are fully involved.*

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

*GM Herrera announced the passing of SFPUC-IT employee Hanna Vu and expressed condolences to Helen’s family and friends. The Commission offered a moment of silence in her memory.*

*No public comment.*

6. Bay Area Water Supply and Conservation Agency Update  
*Item not heard.*

7. CONSENT CALENDAR

- a) Amend Contract No. PRO.0164, Engineering Services for the Lower Alemany Area Stormwater Improvement Project with McMillen Jacobs Associates (dba Delve Underground) for additional field investigation and engineering services necessary to improve collection system capacity during wet weather months, increasing the Contract amount by \$2,000,000, for a new total Contract not-to-exceed amount of \$9,500,000, with no change to the Contract duration. ([Resolution 24-0011](#))
- b) Approve an increase of 300 calendar days to the contract duration contingency for Contract No. WD-2797, San Francisco Westside Recycled Water Pump Station and Reservoir, with JMB Construction, resulting in a new contract duration limit of up to 1,814 consecutive calendar days to allow for the completion of punch list work and any additional work items to meet the requirements of the PG&E service agreement, with no change to the Contract cost contingency. ([Resolution 24-0012](#))
- c) Approve a 290-calendar-day increase to the construction duration contingency for Contract No. WD-2878A, Regional Groundwater Storage and Recovery Phase 2A, with Marinship Development Interest LLC, for a new construction duration limit of up to 958 consecutive calendar days, with no change to the Contract amount, to allow for installation of the variable frequency drives that have been delayed, and are still awaiting delivery, due to supply chain issues. ([Resolution 24-0013](#))
- d) Approve an increase of \$300,000 to the Contract cost contingency and an increase of 120 calendar days to the Contract duration contingency for Contract No. WD-2907(I), Sunol Valley Water Treatment Plant Generator Filter Upgrade with GSW Construction Inc., to provide funds for contractor procurement of an electrical load bank for a new Contract cost limit of up to \$1,210,030, and a new Contract duration limit of up to 813 consecutive calendar days. ([Resolution 24-0014](#))
- e) Accept work performed by Yerba Buena Engineering & Construction, Inc. under Contract No. WW-644, As-Needed Sewer Sealing; approve Modification No. 5 (Final), decreasing the Contract amount by \$841,532 for a total Contract amount of \$3,190,667, with a total Contract duration of 1,825 consecutive calendar days; and authorize final payment to the contractor. ([Resolution 24-0015](#))
- f) Approve an increase of 340 calendar days (approximately 11 months) to the Contract duration contingency for Contract No. WW-685R, North Shore Pump Station Wet Weather Improvements, with Western Water Constructors, Inc., for a new Contract duration limit of up to 1,415 consecutive calendar days, with no change to Contract amount, due to delays associated with installation and start-up of motor control center equipment and associated downstream new assets. ([Resolution 24-0016](#))
- g) Accept work performed by J. Flores Construction Company, Inc. under Contract WW-693, As-Needed Spot Sewer Replacement No. 40, for a total contract amount of \$9,761,823 and a total contract duration of 400 consecutive calendar days; and authorize final payment to the contractor. ([Resolution 24-0017](#))
- h) Accept work performed by J. Flores Construction Company, Inc. under Contract No. WW-

698, As-Needed Spot Sewer Replacement No. 41, for a total Contract amount of \$8,164,118 with a Contract duration of 400 consecutive calendar days; and authorize final payment to the contractor. ([Resolution 24-0018](#))

- i) Accept work performed by Trinet Construction, Inc. for Contract No. WW-737, Baker St. Combined Sewer Discharge Baffle Improvements & Backflow Valve Repair; approve Modification No. 1 (Final) decreasing the Contract amount by \$58,743, for a total Contract amount of \$507,257 and a total Contract duration of 240 consecutive calendar days; and authorize final payment to the Contractor. ([Resolution 24-0019](#))

*Stephen Robinson, Assistant General Manager (AGM) Wastewater and project managers Casey Chen and Suzanne Huang responded to comments from Commissioner Ajami regarding the need for the additional \$2 million, and her comments that there should be better communication with Caltrans regarding collaborative projects.*

*No public comment.*

*On motion to approve items 7a through 7i:*

*Ayes: Paulson, Rivera, Maxwell, Ajami, and Stacy*

8. Approve Contract No. CS-1413, Comprehensive Management of Watersheds within Yosemite National Park Supplying the San Francisco Regional Water System Memorandum of Agreement with the United States Department of the Interior, National Park Service – Yosemite National Park, in the amount not to exceed \$40,958,727, with a duration of four years, subject to Board of Supervisors approval under Charter Section 9.118. ([Resolution 24-0020](#))

*Margaret Hannaford, Manager, Hetch Hetchy Water Division stated that the National Park Service (NPS) and the SFPUC have entered into service agreements since 1997 with a mutual goal of protecting water quality, improving and maintaining environmental resources, and providing security for existing facilities within Yosemite National Park (YNP). She indicated the MOA is an important mechanism for the Source Water Protection Program. Federal and State Water Drinking Acts require demonstration that a watershed control program exists with the landowner (NPS) to prevent microbiological contamination of the upper Tuolumne River watershed located within Yosemite. She discussed the sole authority of the NPS to establish regulations regarding visitor use within the Park under the National Park Service Organic Act. NPS's existing regulations, and the fact that much of the watershed is within the Northern Yosemite wilderness, provide the required control that enables the Hetch Hetchy water supply to maintain its filtration avoidance designation. She stated another goal of the MOA is to meet shared environmental stewardship objectives. She noted the importance of security to SFPUC facilities and assets within YNP. The federal government has exclusive authority for law enforcement within Yosemite boundaries and the NPS is charged with law enforcement duties, while the SFPUC is responsible for maintaining all physical and electronic security components in and around the Hetch Hetchy area. The security program is confidential and relates to Homeland Security.*

*Manager Hannaford responded to a question from Commissioner Maxwell as to what was done before the 1997 Agreement, how expectations and objectives are met, and who performs certain work. Steve Ritchie, AGM Water Enterprise provided additional detail pre-1997 agreement.*

*Manager Hannaford responded to a question from Commissioner Stacy regarding the General Manager's authorization for emergency repairs and collaboration with the NPS, stating that the maintenance and capital improvement of roads are the responsibility of the SFPUC.*

*Commissioner Ajami questioned if there is data gathering and who holds that data. Manager Hannaford stated that the SFPUC and the NPS meet quarterly.. She indicated there is a sanitary survey that is conducted in partnership with the NPS and is readily available.*

#### Public Comment

- *Spreck Rosekrans, Restore Hetch Hetchy expressed appreciation for the SFPUC's partnership with the NPS and stated that the operative language in the MOA has changed. He expressed that it doesn't address provisions of the Raker Act that speak to the visitors' ability to explore the Park, or to water quality provisions in the Raker Act. He stated the document is confusing and discriminates against park visitors. He asked that the Commission not approve the item. He provided written [comment](#).*

*In response to a question from Commissioner Ajami, Manager Hannaford confirmed that the SFPUC worked closely with the NPS on the MOA language, that they are in agreement, and that the MOA is in compliance. In response to a question from Commissioner Maxwell regarding public process, Manager Hannaford stated that that the SFPUC worked closely with the NPS on the process.*

*On motion to approve item 8:*

*Ayes: Paulson, Rivera, Maxwell, Ajami, and Stacy*

*In response to a follow-up question from Commissioner Ajami regarding public process, AGM Ritchie stated SFPUC follows the NPS lead on development and that they are responsible for public input as per federal law.*

9. Approve and authorize the General Manager to seek approval from the Board of Supervisors to execute power sales contracts, with anticipated revenue in excess of \$1 million or more subject to an annual revenue limit of \$20 million per year, through July 1, 2025. ([Resolution 24-0021](#))

*Julia Olguin, Director of Origination and Power Supply introduced the item and discussed , discussing the need for the proposed action.*

*Director Olguin responded to a question from Commissioner Maxwell as to how the \$20 million cap was determined, stating it was determined by forward forecasting and that it is per fiscal year.*

*Mike Hyams, Deputy AGM Power Enterprise, responded to Commissioner Maxwell's follow-up question regarding the environmental code and administrative waivers, noting those were approved by the Commission and the Board of Supervisors in 2022. He indicated they are determined on a per-contract basis and apply to terms that don't typically appear in the power industry or apply to commodities such as power electricity and energy. Barbara Hale, AGM Power Enterprise stated this is a small part of ordinance that was passed and that these waivers are administratively granted as appropriate for purchase of commodities, resource adequacy,*

*and capacity products. She noted the Commission and Board of Supervisors receives quarterly reports.*

*GM Herrera responded to a question from Commissioner Ajami regarding the need for a cap, stating that the cap on the sales amount ensures oversight.*

*No public comment.*

*On motion to approve item 9:*

*Ayes: Paulson, Rivera, Maxwell, Ajami, and Stacy*

10. Discussion and possible action to amend the terms of an employment contract, pursuant to San Francisco Charter Section 8B.126 (a) and (c), between the San Francisco Public Utilities Commission and Dennis Herrera, General Manager of the San Francisco Public Utilities Commission, and authorize the President of the Commission to execute the contract amendment. (Resolution 24-0022)

*President Paulson noted the GM's initial contract allowed for a reopener after two years and that the reopener has taken place. He noted a performance review of the GM was conducted by the Commission and that there is a proposed salary placement at the mid-range of Range C, Department Head V, on the MCCP salary plan.*

*No public comment.*

*On motion to approve item 10*

*Ayes: Paulson, Rivera, Maxwell, Ajami, and Stacy*

11. Communications (information only)

- a) Advance Calendar
- b) Contract Advertisement Report
- c) Correspondence Log
- d) Annual Municipal Energy Benchmarking Report
- e) Green Infrastructure Grant Program Board of Supervisors Update
- f) Power Quarterly Report on Delegated Authority Contracts Pursuant to Administrative Code Section 21.43
- g) Quarterly Report on Contracts Awarded by the General Manager Pursuant to Delegated Authority
- h) Water Supply Conditions Update

12. Items initiated by Commissioners

*Commissioner Ajami discussed her previous request for staff to look into whether other City Commissions continue to allow general remote public comment. GM Herrera and Deputy City Attorney Bregman stated they would follow-up with the Commission directly.*

*No public comment.*

13. Public Comment on the matters to be addressed during Closed Session

*None.*

14. Motion on whether to assert the attorney-client privilege regarding the matters listed below

*On motion to assert the attorney-client privilege  
Ayes: Paulson, Rivera, Ajami, Maxwell, and Stacy*

*The Commission entered Closed Session at 3:23 PM.*

*Present in Closed Session: Commissioners Paulson, Rivera, Maxwell, Ajami, and Stacy; Sheryl Bregman, Deputy City Attorney; Dennis Herrera, General Manager; Ron Flynn, Acting General Manager; Steve Ritchie, AGM Water; and Donna Hood, Commission Secretary.*

*Item 15 was removed from the agenda and will be rescheduled*

15. CONFERENCE WITH LEGAL COUNSEL regarding existing litigation (Government Code §54956.9(d)(1), San Francisco Administrative Code §67.10(d)(1)):

*Ralph Bower, et al v. City and County of San Francisco  
San Francisco Superior Court Case No.: CGC-23-605730  
Date Filed: April 10, 2023*

*Proposed settlement of a personal injury claim, with the City and County of San Francisco to pay Ralph Bower, et al \$800,000 in exchange for a full and final release, subject to final approval by the Board of Supervisors.*

16. CONFERENCE WITH LEGAL COUNSEL regarding existing litigation (Government Code §54956.9(d)(1), San Francisco Administrative Code §67.10(d)(1)):

*Nicholas Navarro v. City and County of San Francisco  
Unlitigated File No.: 24-00351  
Date Filed: August 24, 2023*

*Proposed settlement of unlitigated claim resulting from a water main rupture with the City and County of San Francisco to pay Nicholas Navarro \$33,291 in exchange for a full and final release, subject to final approval by the Board of Supervisors. (Resolution 24-0023)*

17. CONFERENCE WITH LEGAL COUNSEL regarding existing litigation (Government Code §54956.9(d)(1), San Francisco Administrative Code §67.10(d)(1)):

*State Farm et al v. City and County of San Francisco  
Unlitigated File No.: 23-02357  
Date Filed: May 22, 2023*

*Proposed settlement of unlitigated claim resulting from a water main rupture with the City and County of San Francisco to pay State Farm, et al \$54,213.76 in exchange for a full and final release, subject to final approval by the Board of Supervisors. (Resolution 24-0024)*

*The Commission exited Closed Session at 3:30 PM.*

18. Announcement following Closed Session

19. 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 discussions during Closed Session:  
Ayes: Paulson, Rivera, Ajami, Maxwell, and Stacy*

20. Adjournment

*President Paulson adjourned the meeting at 3:32 PM.*