



SAN FRANCISCO PUBLIC UTILITIES COMMISSION
City and County of San Francisco

London N. Breed
Mayor

REGULAR MEETING MINUTES
Tuesday, January 9, 2024
1:30 PM
(Approved January 23, 2023)

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 1:32 PM.

2. Roll Call

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

3. Approval of the Minutes of December 12, 2023

No public comment.

On motion to approve the Minutes of December 12, 2023:

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

4. General Public Comment

- *Francisco DaCosta discussed the need for jobs and youth job training in the Bayview. He discussed his initial concept for the Contracting Center and its current use. He asked that a needs assessment be conducted and that discussions be held with the community.*
- *Utuma Belfry stated she is a skilled electrician and asked that skilled and trained San Franciscans be offered work.*
- *Oronde Sterling, Sterling Builders, LLC asked that Micro LBE's be included in SFPUC's projects. He noted his desire to give back to the community and for work opportunities.*
- *Dennis Williams, Real Estate Developer asked that local contractors and individuals receive SFPUC's work.*
- *Dave Warner provided written comments – [Need for Content for Capital Budget Presentation](#)*

5. Report of the General Manager

a) Wastewater Enterprise Capital Improvement Report including Southeast Area Major Projects Update including Biosolids and Headworks

Bessie Tam, Wastewater Capital Programs Director provided construction updates for the Wawona Area Stormwater Improvement Project, Oceanside Plant Building 042 Primary Clarifier Improvements; and Southeast Plant (SEP) Power Feed and Primary Switch Upgrades.

Director Tam reviewed the Sewer System Improvement Program (SSIP) Phase I status as of September 2023 indicating the project count for Phase I is at 70, with 10 projects in construction, 64.8% complete, and with \$3,625 million expended. She reviewed the SSIP status cost summary and the facilities and infrastructure status cost summary, stating there are no cost variances.

Director Tam reviewed capital program milestones and reviewed those projects that have 95%, 65% and 95% design completion. She provided progress and status updates for the following projects (1) Southeast Plant Digester Facilities Project (Project cost \$2,373 million); and (2) Southeast Plant New Headworks Facilities Project (Project cost \$689 million).

Commissioner Ajami stated staff should consider using performance-based contracts. Commissioner Stacy questioned project timing going past the year 2036 and specifically

for the Kansas-Marin project. Director Tam stated staff are investigating ways to implement low-cost solution that closely meet level-of-service goals. She indicated staff will be evaluating the performance of these solutions prior to major improvements being made or additional money invested. President Paulson stated he will be carefully looking at project cost-assessments.

Public Comment

- *Francisco DaCosta discussed the digester and biosolid projects and issues with energy. He requested accountability and transparency.*

Commissioner Ajami discussed energy use and noted opportunities at the site to generate energy and asked that all options be considered.

b) Contract Performance and Delivery Methods

Stephen Robinson, Assistant General Manager (AGM) Infrastructure Bureau reviewed delivery methods available under Chapter 6: Design-Bid-Build (Section 6.20), Design-Build (Section 6.61), Job Order Contracts (Section 6.62), As-Needed Construction (Section 6.64), Construction Manager/General Contractor (CM/CG) (Section 6.68), and Best Value Procurement (Section 6.74).

AGM Robinson n that 40% of contracts are within 10% duration and noted those contracts that have a contract duration within 10% of award. He stated that 67% of contracts are within 10% budget and outlined those that have a contract amount within 10% of award (for contracts with a start date after January 1, 2018 and a final completion date prior to September 20, 2023). He indicated that as-needed Construction and Job Order Contracts are typically intentionally increased.

AGM Robinson reviewed industry standards as compared to SFPUC's performance; diversifying delivery methods; and the use of the correct tools of CM/CG, Design-Build, Progressive Design-Build, and Public-Private Partnership.

President Paulson thanked AGM Robinson asked about the SFPUC's performance against comparable agencies. He requested a "checklist" of variable for projects for more accurate tracking.

Commissioner Ajami discussed staff tracking of delays to determine why they are happening. AGM Robinson stated that the general tracking data was not conclusive and that more specific tracking is being conducted. Commissioner Ajami discussed "Community Based Public-Private Partnerships" being used in some east coast states; and the need performance-based contracting to ensure accountability and manage and reduce risk.

AGM Robinson responded to a question from Commissioner Maxwell as to unexpected outcomes, indicating the amount of work for Design-Bid-Build was more than expected. He stated the desire to move to an integrated model is not one-size fits all and that the uniqueness of San Francisco must also be considered. He stated there must be consideration for appropriate contracting and delivery strategies earlier in the process. Commissioner Rivera expressed appreciation for the work of the team. He concurred with

Commissioner Ajami's comments. In response to Commissioner Rivera's question, AGM Robinson indicated that liquidated damages are included in contracts.

Brief comments were made regarding industry standards, contract awards, industry performance data, and the contracting center.

No public comment.

- c) Report on Recent San Francisco Public Utilities Commission Activities, Events and Announcements
None.

6. CONSENT CALENDAR

- a) Approve Contract No. CS-1412, Undertaking Water and Power Resource Studies, Mutual Aid, and Support Services within the Tuolumne River Watershed Memorandum of Understanding with Modesto Irrigation District and the Turlock Irrigation District in the amount not to exceed \$2,000,000, with a duration of four years. ([Resolution 24-0001](#))
- b) Award Contract No. HH-1009, San Joaquin Pipeline Valve and Safe Entry Improvements Phase 3 – Tesla Surge Tower, to the responsible bidder that submitted the lowest responsive bid, Mountain Cascade, Inc., in the amount of \$11,051,305, and with a duration of 452 consecutive calendar days to build a surge tower and perform associated work at Tesla Portal at the western end of the San Joaquin Pipeline System. ([Resolution 24-0002](#))
- c) Award Contract Nos. PRO.0254 A & B, Project Scheduling and Cost Control Staff Augmentation Services to CM Pros (PRO.0254.A) and PMA Consultants LLC and Dabri Joint Venture, Inc., (PRO.0254.B), each for an amount not to exceed \$7,500,000, and each with a duration of eight years. ([Resolution 24-0003](#))
- d) Award Contract No. PRO.0257(R), Underwater Tank Reservoir Inspection and Cleaning Services, to Underwater Resources, Inc., in an amount not-to-exceed \$1,800,000 and with a duration of five years. This action constitutes the Approval Action for the Project for the purposes of the California Environmental Quality Act (CEQA), pursuant to San Francisco Administrative Code section 31.04(h). The Planning Department has determined that the Project is exempt from the CEQA. The Commission will rely on that determination to make its decision on this action. ([Resolution 24-0004](#))
- e) Accept work performed by M Squared Construction, Inc., under Contract No. WD-2811, 8-Inch and 16-Inch Ductile Iron Water Main Replacement on 17th Street from Clayton Street to Douglass Street and Various Side Streets; approve Modification No. 5 (Final) increasing the Contract amount by \$145,274 for a total Contract amount of \$7,481,120 and a total Contract duration of 952 consecutive calendar days; and authorize final payment to the contractor. ([Resolution 24-0005](#))
- f) Approve an increase of \$4,768,500 to the construction cost contingency for Contract No. WD-2840, Southern Skyline Boulevard Ridge Trail Extension, with Gordon H. Ball, Inc, for a new contract cost limit of \$27,344,289, with no change to the contract duration, to provide for the construction of a two-mile trail segment south of SR 92, trail drainage features, 50-car parking lot, restroom, signage, and security improvements, in addition to scope items

included in the Contract as awarded. ([Resolution 24-0006](#))

- g) Approve a 120-calendar day increase to the Contract duration contingency for Contract No. WD-2871, Sunol Valley Water Treatment Plant and Chloramination Facility Aqua Ammonia Structural Repairs and Tank Replacement with Cal State Constructors, for a new Contract duration limit of up to 841 consecutive calendar days, to allow for procurement of new valve actuators that include position indicators similar to existing valves, with no change to the Contract amount. ([Resolution 24-0007](#))
- h) Accept work performed by The Professional Tree Care Company under Contract No. WD-2882, Trousdale Oaks Tree Removal Project; approve Modification No. 5 (Final) decreasing the Contract amount by \$199,765, for a total Contract amount of \$2,587,187 and a total Contract duration of 545 consecutive calendar days; and authorize final payment to the Contractor. ([Resolution 24-0008](#))
- i) Award Contract No. WD-2896, 12-Inch Ductile Iron Water Main Installation on Webster Street from Grove Street to Eddy Street, to the responsible bidder that submitted the lowest responsive bid, M. Squared Construction, Inc., in the amount of \$1,468,962 and with a duration of 286 consecutive calendar days. This action constitutes the Approval Action for the Project for the purposes of the California Environmental Quality Act (CEQA), pursuant to San Francisco Administrative Code section 31.04(h). The Planning Department has determined that the Project is exempt from the CEQA. The Commission will rely on that determination to make its decision on this action. ([Resolution 24-0009](#))

Jimmy Leong, Project Manager responded to a question from Commissioner Ajami regarding the protest letter.

Ivy Fine, Contracts Administration Bureau Manager responded to a question from Commissioner Stacy regarding the low LBE participation rate for item 6d.

Mary Tienken, Project Manager responded to a question from Commissioner Stacy regarding the need for the contract cost contingency.

Public Comment

- *Utuma Belfry asked why the LBE was waived for item 6d and how the program is being implemented.*

Commissioner Rivera noted the specialization of the contract to secure a vendor with technical scuba qualifications and that no LBE's were available.

*On motion to approve items 6a through 6i:
Ayes: Paulson, Rivera, Ajami, and Stacy*

- 7. Communications (information only)
 - a) Advance Calendar
 - b) Contract Advertisement Report
 - c) Correspondence Log
 - d) Hetch Hetchy Capital Improvement Program Quarterly Report

e) Water Supply Conditions Update

8. Items initiated by Commissioners

Commissioner Maxwell requested a report on LBE participation on the Biosolids Project and on Community Benefits.

Commissioner Ajami and asked that staff check with the Port Commissions as to their practice for public comment and if remote public comment is taken.

No public comment.

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

None.

10. 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 2:52 PM.

Present in Closed Session: Commissioners Paulson, Maxwell, Ajami, and Stacy (all items); Sheryl Bregman, Deputy City Attorney (all items), Hunter Sims, Deputy City Attorney (item 11); Zuzana Ikels, Deputy City Attorney (item 11); Ron Flynn, Acting General Manager (item 11); Steve Ritchie, AGM Water (item 11) and Donna Hood, Commission Secretary (all items).

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

Mason Masuda v. City and County of San Francisco

San Francisco Superior Court Case No.: CGC-23-606369

Date Filed: May 9, 2023

Proposed settlement of a personal injury claim, with the City and County of San Francisco to pay Mason Masuda \$9,000,000.00 in exchange for a full and final release, subject to final approval by the Board of Supervisors. (Resolution 24-0010)

12. CONFERENCE WITH LABOR NEGOTIATOR (Government Code Section 54957.6 and Administrative Code Section 67.10(e)):

Designated representative: Commissioner Sophie Maxwell

Unrepresented Employee: General Manager

Anticipated issues under negotiation: Compensation

The Commission exited Closed Session at 3:34PM.

13. Announcement following Closed Session

President Paulson announced that the Commission recommended that the Board of Supervisors approve the settlement referenced in item 11. No other action was taken.

14. 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

15. Adjournment

President Paulson adjourned the meeting at 3:35 PM.