



SAN FRANCISCO PUBLIC UTILITIES COMMISSION
City and County of San Francisco

London N. Breed
Mayor

REGULAR MEETING MINUTES
Tuesday, May 11, 2021
1:30 P.M.
(Approved May 25, 2021)

This meeting was held by Teleconference Pursuant to the Governor's Executive Order N- 29-20 and the Twelfth Supplement to Mayoral Proclamation Declaring the Existence of a Local Emergency Dated February 25, 2020

During the Coronavirus Disease (COVID-19) emergency, the San Francisco Public Utilities Commission's (SFPUC) regular meeting room, City Hall, Room 400, is closed. Commissioners and SFPUC staff will convene Commission meetings remotely by teleconference.

Commissioners

Sophie Maxwell, President
Anson Moran, Vice President
Tim Paulson
Ed Harrington
Newsha Ajami

Michael Carlin
Acting General Manager

Donna Hood
Secretary



ORDER OF BUSINESS

1. Call to Order

President Maxwell called the meeting to order at 1:30 PM.

2. Roll Call

Present: Maxwell, Moran, Paulson, and Harrington

3. Approval of the Minutes

a) April 16, 2021 Special Meeting

b) April 27, 2021 Regular Meeting

Public Comment

- *David Pilpel proposed non-substantive corrections to the minutes of April 16, 2021 and April 27, 2021.*

*On motion to approve the minutes of the April 16, 2021 Special Meeting, as drafted:
Ayes: Maxwell, Moran, Paulson, and Harrington*

*On motion to approve the minutes of the April 27, 2021 Regular Meeting, as drafted:
Ayes: Maxwell, Moran, Paulson, and Harrington*

Vice President (VP) Moran suggested that members of the public contact the Commission Secretary with recommended changes to the draft minutes prior to making public comment.

4. General Public Comment

- *Anonymous caller discussed a Sunshine request that he submitted, with copy to the Commission, regarding expenditures made by the SFPUC to Young Community Developers for costs associated with an event which included the honoring of Harlan Kelly.*
- *Ali Altaha asked that copies of communications be included with the Correspondence Log.*
- *Eileen Boken discussed an article regarding the UC Aqua Solar Grid and noted that an additional article link was provided to the Commission. She discussed AB758 which would allow public utilities to use rate reduction bonds not just for water and wastewater, but also for power generation, transmission and distribution. She urged that staff provide a presentation.*
- *Peter Drekmeier, Tuolumne River Trust, discussed a letter that was sent to the Commission from 22 NGO's with several requests, one which would direct staff to add an appendix in the Urban Water Management Plan (UWMP) that analyzes a seven and one-half-year design drought. He discussed a meeting he attended at Menlo Park and stated that their consultant indicated several BAWSCA agencies requested that the SFPUC use demand projections rather than contractual obligations to assess the impact on water supply. He discussed current growth projections in the UWMP.*
- *John (inaudible), Human Rights Workgroup, Coalition on Homelessness,*

discussed the disparity to water access for unhoused San Franciscans, and indicated that 75% of unhoused San Franciscans surveyed lack access to minimum daily water needs. He asked that the SFPUC use discretionary funds to provide three additional permanent water sources in the Tenderloin and that the item be azenized at the next meeting.

- *Ian James, Human Rights Workgroup, Coalition on Homelessness, asked that SFPUC discretionary funds be used to add three additional permanent water sources for unhoused San Franciscans in the Tenderloin and asked that the item be azenized at the next meeting.*
- *Carolos Wadkins, Coalition on Homelessness, expressed the need for three additional permanent water sources for unhoused San Franciscans in the Tenderloin and asked that SFPUC discretionary funds be used. He asked that the item be azenized at the next meeting.*
- *(Inaudible), Human Rights Workgroup, Coalition on Homelessness, indicated that 75% of unhoused San Franciscans surveyed lack access to minimum daily water needs. She asked that the SFPUC use discretionary funds to install three permanent water sources in the Tenderloin and that this item be azenized at the next meeting.*
- *David Pilpel informed the Commission of the upcoming deadline to file a CEQA appeal on the Vicente/Wawona project and indicated that he is still considering filing an appeal.*

5. Communications

- Advance Calendar
- Contract Advertisement Report
- Correspondence Log
- 2009 Water Supply Agreement Update
- Annual SuperGreen Multi-Year Service Agreement Customer Update
- Water System Improvement Program Status of Construction Change Orders
- Water Supply Conditions Update

Public Comment

- *David Pilpel spoke to item 5a – Advance Calendar – and suggested that the UWMP adoption and any legal deadlines be added; and item 5c – Correspondence Log – and asked that communications be included with the log.*
- *Peter Drekmeier, Tuolumne River Trust, spoke to 5c – Correspondence Log, asked that communications be included with the log; Governor’s Drought Declaration expansion; and UWMP Appendix E.*
- *Ali Altaha spoke to item 5c – Correspondence Log – and requested that communications be included with the log.*

6. Report of the General Manager

- Power Enterprise Racial Equity Action Plan (REAP)
Barbara Hale, Assistant General Manager (AGM) Power, introduced the item and discussed the importance of the Plan. Catherine Spaulding, Deputy Manager, Power Racial Equity Lead introduced staff who presented the following (1) Staff Engagement: lunch and learn, workgroup meeting, engagement and feedback

survey, subcommittees, focus groups, Office of Racial Equity Priorities Survey (Ashlye Wright); (2) Power Racial Equity Workgroup Structure: External Equity Subcommittee, BIPOC Advisory Committee, Racial Equity Action Plan Subcommittee, Learning Subcommittee, and PUC-wide Committees (Sandy Carter); and (3) Near Term Deliverables: Completed (affinity group, and anonymous comments), Six months (recruitment opportunity for diversity, resources for staff around accommodation, and experience and education qualifications) and 12-18 months (employee lifecycle, industry-relevant leadership training, and community activities and engagement baseline assessment) (Jonathan Pettey).

Commissioner Ajami joined the meeting at 2:18 PM.

Public Comment

- Ali Altaha questioned if there is racial reform at the SFPUC and stated that discrimination exists.

b) Quarterly Budget Status Report

Laura Busch, Budget Director, provided the update beginning with a third quarter report summary, indicating (1) Weakened operating results are projected across all enterprises and CleanPowerSF due to delayed economic recovery, (2) Negative operating results projected for Water, Wastewater and CleanPowerSF, (3) Interest income down due to lower interest rates; Water debt refinancing providing debt service savings, (4) December 2020 salary increases reflected in salary projections; salary savings used to fund, (5) One-time project closeouts replenish fund balance, and (6) Year-end financial results projected to exceed or meet reserve and coverage policy targets.

Director Busch noted project closeouts helped last year's budget refinancing effort. One-time capital project reductions in Water, Wastewater, and Hetch Hetchy Water and Power assisted with FY 2019-20 budget rebalancing efforts last spring. These cuts were de-appropriated in the current year - \$44.5M capital project cuts, mostly Power and \$2.6M programmatic project cuts.

She discussed FY2020-21 budgetary variances, net operating results (uses and sources) for Water (-\$1.5M); Wastewater (-\$15.3M); Power (+\$7.7M) and CleanPowerSF (-\$12.0M).

She concluded with a review of key financial ratios (fund balance reserve and debt service coverage reserve) for Water, Wastewater, and Hetchy, an noted CleanPowerSF reserve is on target to be met and stated that more information will be provided about this a the next Commission meeting along with a CleanPowerSF rates item.

No public comment.

c) Water System Improvement Program (WSIP) Quarterly Report

Katie Miller, Director, Capital Programs, stated that as of March 2021, the WSIP is 99% complete with \$3,685M expended and \$119M remaining and that 44 projects have been completed. She reviewed the Regional WSIP cost summary, noting a cost variance of -\$2.8M. She reviewed the WSIP Regional program schedule summary for active projects, noting those that are on schedule, exceed two-to-six months, or exceed greater than six months.

Director Miller briefly reviewed the status of the following projects: Alameda Creek Recapture Project, Regional Groundwater Storage and Recovery, Fish Passage Facilities at Alameda Creek Diversion Dam, Sunol Valley Regional Closeout Project, Peninsula Region Closeout Project, San Joaquin Region Closeout Project, and Bay Division Region Closeout Project.

In response to a question from President Maxwell, Director Miller indicated that a response to her request for an update on corrosion issues is being prepared that will summarize actions that being taken and work that is happening.

Commissioner Paulson thanked Director Miller for the presentation and for the work on the WSIP. In response to his request, she indicated she would forward a copy of the local WSIP presentation. She responded to his question regarding plans for a celebration upon completion of the regional WSIP projects.

No public comment.

- d) Water Enterprise Capital Improvement Program (WECIP) Quarterly Report
Director Miller presented the WECIP quarterly report and stated that as of March 2021, the WECIP is 23% complete with \$680M expended and \$1,994M remaining, and she reviewed project count by phase. She reviewed the WECIP Program cost summary and WECIP program schedule summary for active projects, noting all are currently on schedule.

Director Miller reviewed the total current approved budget for active WECIP Regional Projects by phase and briefly discussed the status of the following Regional Projects: Sunol Valley Water Treatment Plant Ozone, Harry Tracy Water Treatment Plant Capital Improvements, San Andreas Pipeline No. 2 Lockbar Replacement, Southern Skyline Boulevard Ridge Trail Extension, Millbrae Yard Laboratory and Shop Improvements, Sunol Long-Term Improvements.

Director Miller continued with a review of the total current approved budget for active Local WECIP Projects in each phase and briefly discussed the status of the following Local Projects: Local Water Conveyance/Distribution System – Water Main Replacement, San Francisco Recycled Water, College Hill Reservoir Outlet, and New CDD Headquarters.

Public Comment

- *Ali Altaha stated contracting does not exist within the projects. He discussed the*

Contractor Open House and stated there is no notice given as to the work coming out of the SFPUC. He discussed subs who are getting work and stated there is no diversity in contracting.

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

Michael Carlin, Acting General Manager, discussed a meeting that took place between the leadership of the Modesto Irrigation District (MID), Turlock Irrigation District (TID), President Maxwell, VP Moran, and staff regarding the Tuolumne River Voluntary Agreement and how to move forward with Early Implementation. He stated nothing was decided but that it was an opening for further discussions.

VP Moran stated there was follow-up discussion at the San Joaquin Tributary Authority meeting to consider a strategic planning processes to look at various opportunities.

Acting GM Carlin responded to a question from Commissioner Ajami as to next steps. Brief discussion ensued. Acting GM Carlin responded to a follow-up question from Commissioner Ajami as to whether there are any voluntary agreements in the state that are working and can be used as a model.

Public Comment

- Peter Drekmeier, Tuolumne River Trust, stated he reviewed the Agricultural Water Management Plans for MID and TID and stated MID is charging farmers \$23 per acre foot of water and TID is charging farmers \$17 per acre foot. He discussed an op-ed published in the Modesto Bee by a Tuolumne River Trust intern pointing out the undercharging of agricultural water customers. He noted MID provided an op-ed in response.*

7. New Commission Business

None.

The Commission Secretary stated that she was contacted by Mr. Ali Altaha ahead of the meeting and that he requested Consent items 8a, b, e, and f be removed from the Consent Calendar for discussion.

8. Consent Calendar

- Accept work performed by Mountain Methods, Inc. for Contract No. HH-1001, Moccasin Reservoir Perimeter Security Fence; approve Modification No. 6 (Final), decreasing the contract amount by \$135,872, for a total contract amount of \$1,626,886, with no change to the agreement duration of 272 consecutive calendar days; and authorize final payment to the contractor. ([Resolution 21-0072](#))
- Accept work performed by Western Water Constructors, Inc., for Contract No. WD-2621R, San Francisco Groundwater Supply Well Stations; approve Modification No. 11 (Final), increasing the contract duration by 425 consecutive

calendar days with no change in contract amount, for a total contract duration of 2,208 consecutive calendar days and a total contract amount of \$16,450,107; and authorize final payment to the contractor. ([Resolution 21-0073](#))

- c) Approve increase of \$100,000 to the contract cost contingency, and increase of 70 calendar days to the contract duration contingency, for Contract No. WD-2692, 16-Inch And 8-Inch Ductile Iron Water Main Installation, Sewer Replacement on Geary Boulevard From 32nd to 48th Avenues; and authorize the General Manager to approve future modifications to the contract for a total contract amount of up to \$10,270,403 and a total contract duration of up to 889 consecutive calendar days. ([Resolution 21-0069](#))
- d) Approve an increase of 173 calendar days to the existing duration contingency for Contract No. WD-2819, As-Needed Water Main Replacement at Various Locations, No. 2; and authorize the General Manager to approve future modifications to the contract for a total contract duration of up to 1,377 consecutive calendar days, with no change in the contract amount. ([Resolution 21-0070](#))
- e) Accept work performed by Western Water Constructors, Inc. Contract No. WW-613, Southeast Water Pollution Control Plant (SEP) Building 521/522 and Disinfection Upgrades; approve Modification No. 13, increasing the contract amount by \$82,175 for a total contract amount of \$30,452,647, and increasing the contract duration by 122 consecutive calendar days for a total contract duration of 1,608 consecutive calendar days; and authorize final payment to the contractor. ([Resolution 21-0074](#))
- f) Approve the plans and specifications, and award Contract No. WW-712, New Montgomery, Jessie, Minna, and Mission Streets Brick Sewer Rehabilitation, in the amount of \$4,888,750, and with a duration of 390 consecutive calendar days, to the responsible bidder submitting the lowest responsive bid, D'Arcy & Harty Construction, Inc., to rehabilitate existing large-diameter sewers and associated appurtenances on various streets in downtown San Francisco, including New Montgomery, Jessie, Minna, and Mission Streets. This action constitutes the Approval Action for the project for the purposes of CEQA, pursuant to Section 31.04(h) of the San Francisco Administrative Code. ([Resolution 21-0075](#))
- g) Accept work performed by Western Water Contractors Inc. Contract No. WW-651, Griffith Pump Station Improvements; approve Modification No. 14 (final) decreasing the contract amount by \$55,571, for a total contract amount of \$11,977,669, and increasing the contract duration by 59 consecutive calendar days, for a total contract duration of 1,200 consecutive calendar days; and authorize final payment to the contractor. ([Resolution 21-0071](#))

Public Comment 8c, 8d, and 8g
None.

*On motion to approve Consent Calendar items 8c, 8d, and 8g
Ayes: Maxwell, Moran, Paulson, Harrington and Ajami*

Public Comment 8a

- *Ali Altaha discussed discrepancies as to how CMD deals with contracts, who was LBE certified at the time of bid, and who was micro-certified. He stated there is discrimination against Arab Americans.*

Kathy How, Assistant General Manager (AGM), Infrastructure, discussed CMD goals which were set and met at 9%.

*On motion to approve Consent Calendar items 8a:
Ayes: Maxwell, Moran, Paulson, Harrington and Ajami*

Public Comment 8b

- *Ali Altaha stated that CMD engaged in good-faith efforts only after the contract has been executed. He stated that you must be certified at the time of bid not NTP. He stated there is discrimination against Iranian Americans. He discussed discrepancies.*

*On motion to approve Consent Calendar item 8b
Ayes: Maxwell, Moran, Paulson, Harrington and Ajami*

Public Comment 8e

- *Ali Altaha discussed the CMD memo and discrepancies and indicated that the requirement was not met and that companies were added to increase LBE participation.*

*On motion to approve Consent Calendar item 8e
Ayes: Maxwell, Moran, Paulson, Harrington and Ajami*

Commissioner Harrington requested that callers not address comments to or disparage staff.

Public Comment 8f

- *David Pilpel noted the award was under the engineer's estimate. He expressed support for the project and stated he has no CEQA issues with this project. He asked that discussion on failures or maintenance costs be included in the future and where there is a bid protest, all correspondence be included. He requested the staff presentations be posted.*
- *Ali Altaha discussed the CMD Memo and the 6% LBE subcontractor requirement. He discussed a March 2021 notice of non-responsiveness due to the contractor not meeting 6%.*

*On motion to approve Consent Calendar item 8f
Ayes: Maxwell, Moran, Paulson, Harrington and Ajami*

9. Discussion only of the status and options regarding the selection process for the SFPUC General Manager (GM) position, and possible direction by the Commission regarding that process.

President Maxwell stated that she is proud to be part of the leadership at the SFPUC. She noted that leadership starts at the top with the Mayor, but that it is throughout. She indicated the SFPUC is a premier utility recognized around the country. She stated the WSIP, SSIP and other SFPUC programs demonstrate leadership. She stated the SFPUC has a high AA bond rating, that the SFPUC has good fiscal responsibility, and has good people who do good and important work and that is leadership. She indicated that the SFPUC serves 2.7 million customers every day and that is leadership. She recognized the leadership of the City Attorneys who assist the SFPUC. She thanked everyone for their leadership.

President Maxwell provided an update as to the status of the GM recruitment process. She stated that Harlan Kelly resigned in November and at that time the Mayor appointed Michael Carlin as Acting GM. She said that the City's Department of Human Resources (DHR) began working with the Commission on the GM recruitment process so there was no conflict of interest for any internal candidates. At the January 26, 2021 Commission meeting, Kate Howard, DHR, presented the Commission with an eight-point recruiting process and with the names of the four highest-scoring respondents from their pre-qualified pool. At the February 23, 2021 Commission Meeting, the Commission selected the Hawkins firm, noting recruitments they have conducted for City department and for others in the utility industry. She stated Hawkins has a good "ear on the ground" as to what is happening in the industry, knowledge of potential candidates, and a robust stakeholder outreach and interview program. She indicated that Hawkins had begun interviews with stakeholders and Commissioners and were preparing to interview the Mayor and others. She stated that in late April, the Mayor announced that she was nominating City Attorney Mr. Dennis Herrera as the GM.

President Maxwell introduced Rob Coelho, Assistant County Counsel, Office of the County Counsel, County of Santa Clara, who will be assisting the Commission with the legal framework and options regarding the General Manager recruitment.

Mr. Coelho introduced himself and noted that he is advising the Commission only on issues surrounding the selecting and contracting of the new GM to avoid any image of impropriety, given that Mr. Herrera is the appointee. He stated that the San Francisco City Attorney's office has recused themselves from this process but will continue to advise the SFPUC on all other matters. He stated he is available to assist with any matters or questions related to the search.

Mr. Coelho stated that consistent with the Charter and rules related to selection process the role of the Commission is to nominate candidate(s) and forward those names to the Mayor, who can then make an appointment from that list. He recognized that the selection process had begun and stated that the Commission can continue with the same process, alter the process, or start a new process. He indicated it is up to the Commission to determine the position qualifications and the candidate list presented to the Mayor, which may include Mr. Herrera. Mr. Coelho stated that this

meeting is for a discussion of the process and next step.

Commissioner Paulson noted his commitment to the process and that the Mayor's nomination of Mr. Herrera changed the playing field. He provided an example of a qualified candidate who may have been interested in the position but was then deterred from applying. He stated the process has been expedited, that the position needs to be filled, and that guidelines for the process need to be established.

Commissioner Harrington stated his thoughts are similar to those made by Commissioner Paulson and that it would be difficult to attract qualified individuals when there has been a public statement about a preferred candidate. He expressed concern with going through a process that won't result in top candidates applying.

In response to a question from Commissioner Ajami as to whether the process with Hawkins will proceed or go in a different direction, Mr. Coelho stated that there is a political reality and that the Commission wants to make the best decision for the organization, given the information they can obtain. He stated that the Commission controls the process. He stated the determination of the position qualifications, what and how many candidates to put forward, outreach efforts, timeline, and focus of interviews is the Commission's decision. He stated once the Mayor receives names of the candidate(s) it is her decision to select from the list, that the Commission does not have the authority to appoint, and that the Mayor cannot appoint someone who is not on the Commission's list. He stated the Commission's current decision needs to be what process will be taken. He stated the Commission has a lot of authority as to the process, qualifications, who to interview, and ultimately who to put forward. He reiterated the Mayor's responsibility is to select from the list the Commission puts forth, noting she may choose not to select anyone from that list and ask the Commission to begin the process again.

Commissioner Paulson emphasized the need for transparency in the process.

VP Moran concurred with Comments made by the Commissioners. He stated the Mayor's indication of a preferred candidate can have a depressing aspect on possible candidates. He noted that as part of the process it is necessary to assess where the SFPUC is as an organization, identify challenges, obtain stakeholder input, and to take advantage of the opportunity for a leadership change and set the leadership direction in a way that meets the needs of the organization and constituents. He stated it is important and valuable to go through the process and stated he would like to continue with the process. He indicated the process needs to be efficient and to set the stage for the next GM to have a clear sense of challenges and expectations, and to use the process to measure where the SFPUC is and where it is headed.

President Maxwell concurred with VP Moran and stated that outreach needs to continue and that it is important for people to feel they are part of the process. She stated that key stakeholders need to be identified and interviewed by Hawkins. She stated the process could be abbreviated but that it needs to take place.

Commissioner Ajami noted that the pandemic provides an opportunity for the process to be conducted in a less invasive way timewise, as people do not need in-person interviews. She agreed that the process can help to re-evaluate what is needed and that regardless of the outcome, what is discovered can help determine best-practices and set expectations.

President Maxwell stated that from what she has heard from the Commission there is agreement that some form of the process should continue and include stakeholders.

Commissioner Harrington asked if there was a suggestion that, as part of this process, there was an expectation of doing a whole review of our strategic plan or just a discussion with stakeholders to identify what the ideal candidate might look like so we could evaluate any candidate against those criteria.

VP Moran stated that a strategic direction has been set and may be modified, but not at this time. He stated that within the strategic plan there may be parts that need greater emphasis than previously thought, or that the execution of the plan needs to be done in a different way. He used the NGO's comments as to their desired qualifications and approach of the next GM and indicated that can be within the scope of what will be done during the selection process.

President Maxwell stated that a process of stakeholder comments and interviews would take place and that Hawkins would be given a timeframe and a list of those to interview. She stated that in addition, a survey should be sent to employees to allow them to participate and offer their thoughts on the search. She discussed possible next steps and stated that she would ask Hawkins to return to the Commission.

Mr. Coelho stated President Maxwell's recommendation is consistent with the Commission's authority and discretion to agendaize the GM search. He stated that a Closed Session item would be agendaized to develop interview questions or to interview candidates.

President Maxwell stated the item would be agendaized at the meeting of May 25, 2021.

Commissioner Harrington indicated the Hawkins group already had a tentative list of stakeholders and suggested that President Maxwell could use that as a start.

Public Comment

- *Francisco DaCosta stated that a needs assessment needs to be conducted. He indicated a conflict of interest with an appointment of Mr. Herrera and asked that the Commission do the right thing.*
- *Peter Drekmeier, Tuolumne River Trust, noted that in December 2018 under the leadership of Felicia Marcus, the State Water Board adopted amendments after years of public comment. He stated that Governor Newsom did not reappoint her and that it sent a chill through the State Water Board and that the Bay Delta Plan has been on hold. He noted that is unclear as to the role of the Commission given that they are appointed and not elected. He asked that they provide good leadership.*

- *David Pilpel express concern about Mr. Herrera’s nomination. He expressed opposition to a national search and indicated that Acting GM Carlin would do a good job as GM. He acknowledged optics around contracting but indicated his preference for a utility manager at the SFPUC. He indicated that there are members of the public who can be considered as “stakeholders” and could also be interviewed. He asked how much ratepayer money has been spent on the selection process so far.*
- *Ali Altaha stated that desperate times need desperate measures and that it is a game. He indicated that the City Attorney does not have an official email address. He discussed a \$19M sewer lateral project. He stated the SFPUC needs to clean-up it’s act.*

10. Approve the form of, and authorize the General Manager to execute multiple documents constituting a credit facility agreement in the principal amount not-to-exceed \$100 million with Sumitomo Mitsui Banking Corporation to replace an expiring agreement of the Water Interim Funding Program that provides interim funding for the Water Enterprise capital program, with an initial term of four years and an initial annual fee of \$359,700, and a three-year option to extend the agreement for a total term of up to seven years and an annual fee not to exceed \$800,000. ([Resolution 21-0076](#))
Rich Morales, Debt Manager, began with a background of the Water Enterprise Interim Funding Program, noting it is a low-cost interim funding Capital Program with a 1% borrowing rate. 500M is authorized - three series (\$400M) for Commercial Paper and one series (\$100M) for revolving credit line, and that \$100M Series A-1/A-1-T Bank of America facility is expiring on May 19, 2021. He indicated the action requested of the Commission is to approve the new facility which will replace the expiring facility and that the transaction is included in the 2020-21 Capital Financial Plan.

Mr. Morales stated there was a competitive RFP procurement sent to 12 banks with six responses. He stated staff recommends \$100M Sumitomo Mitsui Bank (SMBC), indicating a \$54,500 annual savings to ratepayers with \$218,000 over the term. He indicated that SMBC also provides \$200M LOC for Series A-2/A-2-T and that bank concentration is no anticipated to be an issue.

Mr. Morales requested that the Commission approve Forms of Agreements with SMBC as follows: Bank Reimbursement Agreement, Bank Fee Agreement, First Amendment to Issuing and Paying Agreement, and Offering Memorandum.

Commissioner Paulson expressed his uncomfort with banks raising rates during difficult times such as during a pandemic and that it helps drive inequity.

Commissioner Harrington expressed concern with \$300M of the \$500M being with a single Bank (Sumitomo) and asked if there is a limit with one bank. Mr. Morales indicated there is no legal limit and stated that he would not have concatenation with one bank. Commissioner Harrington asked Mr. Morales to think of how to structure for next year so there is a diversity of the bidding pool.

Public Comment

- *Eileen Boken stated she concurs with Mr. Brian Browne’s email that the item be*

tabled as the data is incomplete.

On motion to approve Item 10:

Ayes: Maxwell, Moran, Paulson, Harrington and Ajami

11. Approve Project No. CUW2751801, Southern Skyline Blvd. Ridge Trail Extension (Project); adopt the required California Environmental Quality Act Findings, including a Statement of Overriding Considerations, and the Mitigation Monitoring and Reporting Program for the Project; authorize the General Manager to implement the Project in compliance with the Charter and applicable law; and authorize the General Manager to execute an agreement transferring to the City, at no cost, an easement through Skylawn Memorial Park currently held by the Bay Area Ridge Trail Council subject to Board of Supervisors approval of acceptance of the easement. This action constitutes the Approval Action for the project for the purposes of CEQA, pursuant to Section 31.04(h) of the San Francisco Administrative Code. ([Resolution 21-0077](#))
Mary Tienken, Project Manager, began her presentation with a review of the SFPUC Peninsula Watershed Trails, and the proposed project trails. She stated the proposed project: North of Route 92: new half mile universal access loop trail, with a 50-car parking lot, one restroom, transfer of public trail easement through Skylawn Cemetery. Operation is supervised (docent) access; South of Route 92: new six-mile trail, 20-car parking lot, two restrooms. Operation is unsupervised with restricted access (permit) along fenced southern Skyline Ridge Trail.

Commissioner Harrington indicated he is a member of the Bay Area Ridge Trail and that the extension is welcomed. He stated the SFPUC has tried to never do a finding of overriding concern and to not mitigate any impacts. He noted there are specific issues with crossing Route 92 and asked what can and can't be done. Scott MacPherson, Bureau of Environmental Management, discussed the reasons for requesting to override the mitigation and noted they are included in the findings document.

Tim Ramirez, Manager, Natural Resources and Lands Management, responded to a question from Commissioner Ajami as to the reason for the location of the parking lot and stated they want to build as much of the trail as possible at this time and leave options open. He stated there is more than a six-mile gap in the trail in San Mateo county and that it doesn't go up to the road. She noted the importance of cross-sector opportunities for project funding.

Public Comment

- Liz Westbrook, Bay Area Ridge Trail Council, expressed support and noted their work on the project. She stated there is a need for broader public access to Peninsula trails. She requested Commission approval.*
- David Pilpel indicated he has no CEQA issues with this project. He noted the need to balance trail access with watershed protection. He expressed support for the project. He asked that staff work with Caltrans and San Mateo County regarding the crossing of Route 92. He suggested that due to his work, former Supervisor John Avalos should be invited to any trail opening events.*
- Matthew Blain, San Francisco Urban Riders, expressed support for the project*

noting the importance of the project. He requested that additional operational access points be allowed and stated that the permit process being proposed is reasonable.

On motion to approve Item 11:

Ayes: Maxwell, Moran, Paulson, Harrington and Ajami

12. Approve the plans and specifications, and award Contract No. DB-121R2, Moccasin Powerhouse Generator Rehabilitation, in the amount of \$26,271,805, and with a duration of 1,093 consecutive calendar days, to GE Renewable US LLC to rehabilitate two vertical shaft synchronous hydro generators at the Moccasin Powerhouse, subject to Board of Supervisors approval of a negotiated comparative fault contractual indemnification provision in accordance with the requirements of Section 6.22(c) of the Administrative Code. ([Resolution 21-0078](#))

Greg Lyman, Construction Contract Manager, introduced the item noting it is subject to Board of Supervisors' approval, subject to Section 6.22(c) of the Administrative Code. Mr. Lyman reviewed elements of the project and requested approval.

Mr. Lyman responded to a question from Commissioner Paulson as to what ordinances will need to be waived. He responded to a question from Commissioner Ajami as to whether the contractors provide post-installation guarantees/warranty and who maintains the system. Brief discussion ensued.

Public Comment

- *Ali Altaha discussed CMD Form 2A and indicated there are no LBE firms listed. He discussed a meeting he had with Mr. Lyman, CMD, and Harlan Kelly on June 29, 2018 to itinerate payments for LBEs.*
- *David Pilpel spoke to President Maxwell's background as an electrician. He stated that he sees the risk trade-offs of a 12B versus 12X waiver issue and critical schedule coordination issues. He expressed support for the item and noted it is under the engineer's estimate.*

On motion to approve Item 12:

Ayes: Maxwell, Moran, Paulson, Harrington and Ajami

13. Approve the plans and specifications, and award Contract No. WD-2868R, San Francisco Local Water As-Needed Paving (FY 21-24), in the amount of \$13,857,000, and with a duration of 1,095 consecutive calendar days to the responsive bidder submitting the lowest responsive bid, A. Ruiz Construction Co. & Assoc., Inc. ([Resolution 21-0079](#))

Ryan Freeborn, Project Manager, introduced the item noting the current multi-year as-needed paving contract is nearing completion and the new contract is needed for a new three-year as needed paving contract. He discussed scope of work that can be performed under the contract and requested Commission approval.

Mr. Freeborn responded to a question from Commissioner Ajami as to whether all of the funds in the current contract have been expended. He responded to an additional question as to whether there is communication with other departments to coordinate

work that may be happening at the same time. Acting GM Carlin noted that such work is coordinated city-wide. Commissioner Paulson discussed the existence of such coordination but noted that it can be complicated.

Public Comment

- *Ali Altaha discussed the 5% LBE contracting requirement. He stated asphalt contracts have been a problem for years and are a platform for discrimination.*
- *David Pilpel stated the coordination work Acting GM Carlin spoke of is conducted by the “Committee for Utility Liaison on Construction and Other Projects”. He noted the award is under the engineer’s estimate. He asked for clarification as to the elements of the payment components.*

Mr. Freeborn responded to Mr. Pilpel’s question stating that specific bid items can be found in the contract for different work and that individual task orders are issued.

On motion to approve Item 13:

Ayes: Maxwell, Moran, Paulson, Harrington and Ajami

14. Public comment on matters to be addressed during Closed Session
None.

15. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel

On motion to assert the attorney-client privilege:

Ayes: Maxwell, Moran, Paulson, Harrington and Ajami

The Commission entered Closed Session at 5:38 PM.

Present in Closed Session: Commissioners Maxwell, Moran, Paulson, Harrington and Ajami (items 16 & 17); Michael Carlin, Acting GM, Eric Sandler, CFO, Francesca Gessner, Deputy City Attorney, Tyrone Jue, Chief of Staff, Donna Hood, Commission Secretary, Lee Sayao, SFPUC IT (items 16 & 17); Greg Norby, AGM Wastewater, John Roddy, Deputy City Attorney, Estie Kus, Deputy City Attorney (item 16); Barbara Hale, AGM Power, Theresa Mueller, Deputy City Attorney, Pam Husing, SFPUC staff, Laura Busch, SFPUC staff (item 17).

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)
Anticipated Litigation as Defendant

17. Conference with Legal Counsel – Pursuant to California Government Code, Section 54956.9(a), and San Francisco Administrative Code, Section 67.10(d)(1)
Conferring with, or receiving advice from, the City Attorney regarding the following existing litigation in which the City is a petitioner and Pacific Gas & Electric Company is an adverse party: In re: PG&E Corporation and Pacific Gas & Electric

Company, United States Bankruptcy Court, Northern District of California, Case No. 9-30088-DM, filed January 29, 2019; Federal Energy Regulatory Commission Case No. EL 19-38-000, filed January 28, 2019; Federal Energy Regulatory Commission Case No. ER18-1482-000, filed April 30, 2018; Federal Energy Regulatory Commission Case No. ER18-1102-000, filed March 15, 2018; Federal Energy Regulatory Commission Case No. ER18-790-000, filed, February 2, 2018; Federal Energy Regulatory Commission Case No. ER18-768-000, filed January 31, 2018; Federal Energy Regulatory Commission Case No. ER18-198-000, filed October 31, 2017; Federal Energy Regulatory Commission Case No. ER17-2406-000, filed August 31, 2017; Federal Energy Regulatory Commission Case No. ER17-2181-000, filed July 31, 2017; Federal Energy Regulatory Commission Case No. ER17-2204, filed July 31, 2017; Federal Energy Regulatory Commission Case No. ER17-1509-000, filed May 1, 2017; Federal Energy Regulatory Commission Case No. ER17-910-000, filed January 31, 2017; Federal Energy Regulatory Commission Case No. EL 15-3-000, filed October 10, 2014; Federal Energy Regulatory Commission Case No. ER15-702-000, filed December 23, 2014; Federal Energy Regulatory Commission Case No. ER15-703-000, filed December 23, 2014; Federal Energy Regulatory Commission Case No. ER15-704-000, filed December 23, 2014; Federal Energy Regulatory Commission Case No. ER15-705-000, filed December 23, 2014; Federal Energy Regulatory Commission Case No. ER15-735-000, filed December 23, 2014; California Public Utilities Commission Case No. 1.15-08-019, filed February 25, 2015; California Public Utilities Commission Case No. R.18-10-007, filed October 25, 2018; California Public Utilities Commission Case No. R.19-01-006, filed January 10, 2019; and California Public Utilities Commission Case No. R.19-09-016, filed January 10, 2019.

The Commission exited Closed Session at 5:37PM.

18. Announcement following Closed Session.
President Maxwell announced that no action was taken during 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:

Ayes: Maxwell, Moran, Paulson, Harrington and Ajami

President Maxwell adjourned the meeting at 6:57 PM.

