



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

REGULAR MEETING MINUTES
Tuesday, February 22, 2022
1:30 P.M.
(Approved March 8, 2022)

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

Commissioners

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

Dennis J. Herrera
General Manager

Donna Hood
Secretary



1. Call to Order

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

2. Roll Call

Present: Moran, Maxwell, and Paulson

Excused: Ajami

3. Adopt renewed findings under State Urgency Legislation to continue to allow remote meetings during the COVID-19 Emergency; continue remote meetings for the next 30 days; and direct the Commission Secretary to agendize a similar resolution at a Commission Meeting within the next 30 days. ([Resolution 22-0034](#))

No public comment.

On motion to approve item 3

Ayes: Moran, Maxwell, and Paulson

4. Approval of the Minutes of February 8, 2022

No public comment.

On motion to approve the minutes of February 8, 2022:

Ayes: Moran, Maxwell, and Paulson

5. General Public Comment

- *Francisco DaCosta discussed community benefits and stated there needs to be a review to see who has received benefits. He indicated those in charge need to reach out to the community.*
- *Eileen Boken discussed comments she made at the January 24, 2022 Capital Planning Committee meeting regarding the Emergency Water Firefighting System and the transfer of the program to the SFPUC, stating it needs to be transferred back to the San Francisco Fire Department.*
- *Dave Warner discussed the Long-Term Vulnerability Assessment (LTVA) and the Commission's Climate Workshop. He stated the Non-Governmental Organizations letter is relevant to the LTVA. He asked that a similar study be conducted every five years. He discussed two conclusions of the LTVA.*
- *Peter Drekmeier, Tuolumne River Trust, discussed San Francisco's response to the petition for reconsideration of the Water Quality Certification that was issued by the State Water Board. He discussed current water demand in the SFPUC service area and the SFPUC's Water Resources Division Annual Report. He indicated he submitted a Sunshine Ordinance request for the data and calculations used to determine rationing numbers.*
- *Barry Nelson, Golden State Salmon Association, discussed the SFPUC's correspondence to the Secretary of the California Environmental Protection Agency and the Secretary of Natural Resources regarding terminating negotiations with Lower San Joaquin River Tributaries.*

- *Aleta Dupree discussed her use of electric and solar power and the importance of the CleanPowerSF Program. She addressed the New York Subway's use of large load electricity.*
- *David Pilpel noted his inability to attend the entire meeting. He discussed challenges for the upcoming hybrid meetings.*

6. Communications

- Advance Calendar
- Contract Advertisement Report
- Correspondence Log

President Moran requested that staff prepare a schedule of additional workshops to be held as a result of discussions from the fall workshops and asked that they be added to the Advance Calendar.

No public comment.

7. Annual Revenue Bond Oversight Committee (RBOC) Report

Ettore Leale, RBOC Chair, stated highlights for the year included monitoring the outcome of bond sales and ongoing debt plans, and working with SFPUC and city staff on performance audits of select revenue bond expenditures. He indicated no site visits were conducted due to COVID restrictions. He thanked staff of the SFPUC, the Controller's Office, and Board of Supervisors for their work with the Committee.

Commissioner Maxwell thanked Chair Leale and members of the RBOC for their work.

Public Comment

- *Francisco DaCosta stated that the SFPUC has wasted millions of dollars and that the RBOC has a responsibility to monitor how money is spent.*
- *David Pilpel thanked the RBOC for their work and discussed the charge of the RBOC, which is to make sure revenue bonds are spent on their intended purpose.*
- *Peter Drekmeier thanked Mr. Pilpel for his comments and asked that future presentations provide more detail.*

8. Bay Area Water Supply and Conservation Agency (BAWSCA) Report

Nicole Sandkulla, BAWSCA CEO, stated BAWSCA's 2022 Demand Study update is necessary to ensure defensible water demands to support regional water planning, and that the SFPUC will require updated and defensible demands to support its Alternative Water Supply Program, particularly for California Environmental Quality Act considerations. CEO Sandkulla continued (1) Regional population projected compared to actual population; (2) Regional demand projections have decreased over time and are greater than actual water demand experienced; (3) 2022 Demand Study update objectives and schedule, noting the update will meet two objectives: first, update water demand projections developed in the 2020 Demand Study to reflect new data that became available since its completion; and second, perform sensitivity analyses to

better understand and qualify the uncertainty associated with demand estimates and the variable that influence water demands. She indicated the updated schedule will be completed in December 2022; (4) Purposes a sensitivity analysis will serve; and (5) Since 1990, BAWSA region population has increased 27% and total water use has been reduced by 13%.

Public Comment

- *Dave Warner thanked CEO Sandkulla for BAWSCA's innovate approach to water demand projections.*

9. Report of the General Manager

a) Drought Conditions Update

Ellen Levin, Deputy Assistant General Manager Water, reviewed (1) Reservoir storage levels, noting total system storage of 74.7% of maximum storage; (2) Other California Reservoirs supply; (3) California Drought Monitor, noting the majority of the state is in severe drought; (4) Hetch Hetchy precipitation, which is edging below the median; (5) Upcountry Snowpack, noting the addition of the Snow Course Index on the report; (6) Water availability to the city; (7) Tuolumne River Water available to the city; (8) Upcountry 6-Station Precipitation Index, year-to-date (YTD) total 18.67 inches; (9) Bay Area 7-Station Precipitation Index, YTD total 19.91 inches; (10) National Precipitation Forecast; (11) Total Deliveries; and (12) Drought Tracker, with an 8.7% total reduction for the period July 1, 2021 to February 4, 2022.

No public comment.

b) Quarterly Audit and Performance Review Report

Nancy Hom, Deputy Chief Financial Officer (CFO), began by welcoming Irella Blackwood as the SFPUC's new Audit Director and then presented the following (1) Annual summary, indicating there have been 28 audits and assessments YTD (28% complete, 29% in progress, and 43% upcoming); (2) Five audits completed and reports issued: 2020 Green-e Energy Audit, Social Impact Partnership Program Audit, and FY 2020-21 Annual Physical Inventory Count (Water, Wastewater, and Hetch Hetchy Water and Power); (3) Annual Warehouse Inventory Counts Audit highlights and findings; (4) Open City Services Audits and recommendations; (5) FY2021-22 Third quarter outlook of audits completing and upcoming; and (6) Public Integrity Assessment updates.

President Moran welcomed Irella. He stated it is good to see progress on the inventory count audits, indicating the issues have persisted for years and warrants continued management attention. Deputy CFO Hom responded to a question from President Moran regarding the differences between the completed Community Benefit/Social Impact Partnership Program Audit and the SFPUC Public Integrity Assessment (is in progress).

Public Comment

- *Francisco DaCosta stated that the audit reports need to be posted on the website. He discussed suspended contractors and award of contracts.*

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

10. New Commission Business
None.

11. CONSENT CALENDAR

- a) Award Job Order Contract No. JOC-86, General Engineering (A-License) Construction, San Francisco, San Mateo, Santa Clara, and Alameda Counties, for a total contract amount not-to-exceed \$5,000,000, with a guaranteed minimum opportunity of \$50,000 and a duration of two years, to the responsible bidder that submitted the lowest responsive bid, Ground Control Inc., to perform general engineering construction tasks for all SFPUC Enterprise Operations and Bureaus. ([Resolution 22-0035](#))
- b) Award Job Order Contract No. JOC-87, General Engineering (A License) Construction, San Joaquin, Stanislaus, and Tuolumne Counties, Hetch Hetchy, for a total contract amount not-to-exceed \$5,000,000 with a guaranteed minimum opportunity of \$50,000 and a contract duration of two years, to the responsible bidder that submitted the lowest responsive bid, Sinclair General Engineering Construction, Inc., to perform general engineering construction tasks for all San Francisco Public Utilities Commission Enterprise Operations and Bureaus. ([Resolution 22-0036](#))
- c) Approve an increase of 180 calendar days to the contract duration contingency for Contract No. WD-2668, Regional Groundwater Storage and Recovery; and authorize the General Manager to approve future modifications to the contract for a total contract duration of up to 2,707 consecutive calendar days, with no change to the contract amount. ([Resolution 22-0037](#))

No public comment.

*On motion to approve Consent Calendar items 11a through 11c:
Ayes: Moran, Maxwell, and Paulson*

12. Award four Master As-Needed Tree Services Contracts, HH-1004.A; HH-1004.B; HH-1004.C; and HH-1004.D, each with a not-to-exceed agreement capacity of \$9,700,000, and authorize a combined cumulative spending authority of \$9,700,000, with a duration of 1,826 consecutive calendar days (five years), to the top four highest scoring responsible firms that submitted responsive bids, (A) Anvil Builders, Inc., (B) Arborists Now, Inc., (C) Capax Group, Inc., and (D) The Professional Tree Care Co., to improve safety and reduce fire risk by providing as-needed tree removal and maintenance services on short notice at locations within or near San Francisco Public

Utilities Commission property. ([Resolution 22-0038](#))

Margaret Hannaford, Division Manager, Hetch Hetchy Water and Power introduced the item, stating the contract will allow for the removal of dead and diseased trees that pose a threat to the SFPUC's ability to deliver water and power.

No public comment.

On motion to approve item 12:

Ayes: Moran, Maxwell, and Paulson

13. Approve the selection of Mark Cavagnero Associates (MCA); award Agreement No. PRO.0232, New CDD Campus at 2000 Marin Design Services, to provide architectural, engineering, and consulting services to design new facilities for the San Francisco Public Utilities Commission, Water Enterprise City Distribution Division (CDD), at 2000 Marin Street, San Francisco, to MCA; authorize the General Manager to execute a professional services agreement with MCA for an amount not-to-exceed \$27,800,000 and with a duration of five years, subject to Board of Supervisors' approval under San Francisco Charter Section 9.118; and request that the Board of Supervisors grant an exception from the Campaign and Governmental Conduct Code for the Social Impact Partnership provisions of the Agreement. ([Resolution 22-0039](#))

Shelby Campbell, Project Manager, stated staff seeks approval for project design services and discussed CDD's role, history, and existing CDD campus conditions. She reviewed the new CDD campus design principles, 2000 Marin site conditions, site plan, schematic design, climate resiliency, and project budget and schedule and budget.

In response to a question from Commissioner Maxwell, Project Manager Campbell indicated that there will be a better opportunity for inventory management in the new building.

In response to a question as to why there was only one responsive bidder, Ivy Fine, Manager, Project Administration Bureau, indicated three proposals were submitted in response to the Request-for-Proposal (RFP), but that two proposers did not follow instructions of the RFP and erred in the preparation of their respective overhead and profit schedules. She stated staff did not initially find the error until one of the firms reached out to communicate the scoring error. Staff review of each proposer's overhead and profit schedules reconfirmed that material defects were identified and based on material errors. Therefore, SFPUC staff in consultation with the City Attorney's Office determined the two proposals were non-responsive. President Moran noted his dislike for contracts with one bidder. Manger Fine responded and brief discussion as to the submission process ensued.

Public Comment:

- *Ellen Leunberger, Mark Cavagnero Associates, expressed excitement for the opportunity to work with the project team, YAS, and the SFPUC.*
- *Yakhu Askew, YAS Architecture, expressed excitement to be part of team and for the*

ability to collaborate on the project.

- *Felicia Dunham, Mark Cavagnero Associates, expressed excitement to be part of the project and the team and stated as a District 10 resident she is invested in the project.*
- *Ann Cervantes, San Francisco Latino and Black Builders Association, stated the project should be broken down, especially in the professional services sector, to multiple associated architects, noting that trade packages were broken down.*

On motion to approve item 13:

Ayes: Moran, Maxwell, and Paulson

14. Approve the plans and specifications and award Contract No. WD-2878A, Regional Groundwater Storage & Recovery Phase 2A, in the amount of \$6,850,000 and with a duration of 608 consecutive calendar days, to the responsible bidder submitting the lowest responsive bid, Marinship Development Interest LLC., in accordance with San Francisco Administrative Code 6.23(c)(3), to retrofit existing well pump systems at 10 groundwater well facilities. ([Resolution 22-0040](#))

Tracy Cael, Project Manager, introduced the item and indicated that two bids were received, and one bidder did not meet the license requirements for the coding applicator. Brief discussion ensued as to the bid review process.

No public comment.

On motion to approve item 14:

Ayes: Moran, Maxwell, and Paulson

15. Approve the Project Participation and Share Agreement, the Buyer Liability Pass-Through Agreement, and the Coordinated Operations Agreement, so that CleanPowerSF may participate in California Community (CC) Power's long-duration energy storage project with Tumbleweed Energy Storage, LLC; and authorize the General Manager to execute the agreements on behalf of the CleanPowerSF program with total contract costs not-to-exceed \$65 million for a term of 20 years; and authorize the General Manager to seek approval from the Board of Supervisors to execute the agreements. ([Resolution 22-0041](#))

Mike Hyams, Deputy Manager, Power, stated staff is requesting the approval of three agreements: (1) Project Participation and Share Agreement; (2) Buyer Liability Pass-Through Agreement; and (3) Coordinated Operations Agreement. He stated on December 12, 2021 staff provided the Commission with a status update of the procurement process on Tumbleweed Energy Storage. He provided a summary of the project, indicating in June 2021 the California Public Utilities Commission mandated that CleanPowerSF and other power providers procure Long-duration Energy Storage (LDS) resources.

He reviewed (1) LDS Request for Offers background and timeline; and (2) Overview of the CC Power LDS Project #1 – Tumbleweed Project by LS Power. The product being

a 69 MG / 552 MWh -8-hour discharge battery located in Rosamond, Kern County, California. He noted there is a Project Labor Agreement (PLA) and prevailing wage requirement and stated the commercial operation date is June 1, 2026, with a proposed contract term of 15 years.

Director Hyams reviewed (1) Project agreement structure for the three agreements to be authorized for the General Manager's Execution.; (2) Tumbleweed LDS project procurement context; and (3) Next steps.

Public Comment:

- Alex Lantsberg, Research and Advocacy Director, San Francisco Electrical Construction Industry, stated it is good to see the project move forward and to see labor standards. He indicated he has been advised by CC Power that another long-duration storage project will be forthcoming. He stated the JPA's board is not interested in adoption institutional guidelines.
- Aleta Dupree discussed the importance of the project and storage.

In response to a question from Commissioner Paulson regarding any updates as to a particular PLA with Tumbleweed or other entities, Director Hyams there are no specific PLA details available.

Commissioner Maxwell noted issues mentioned by Mr. Landsburg. Director Hyams provided response and noted those issues have been brought up at the board level and are being discussed by the CCA's.

On motion to approve item 15:

Ayes: Moran, Maxwell, and Paulson

16. Authorize the General Manager to enter into the Utility Distribution Company Operations Agreement between the San Francisco Public Utilities Commission and the California Independent System Operator Corporation (CAISO) to establish the rights and obligations of the SFPUC, as a Utility Distribution Company, with regard to the interconnection of the Bay Corridor Transmission and Distribution project Davidson Substation within the CAISO controlled grid, subject to Board of Supervisors approval pursuant to Charter Section 9.118. ([Resolution 22-0042](#))

Barbara Hale, Assistant General Manager (AGM) Power, introduced the item and stated that a new substation will be operational, and a new operations agreement will be needed with CAISO to establish rights and obligations. She noted the agreement will be for the life of the substation unless it is changed or terminated with mutual agreement.

No public comment.

On motion to approve item 16:

Ayes: Moran, Maxwell, and Paulson

17. Authorize the General Manager to take the following actions for COVID-19 relief (1) extend by three months, through June 30, 2022: (a) the temporary suspension of the discontinuation or shut off of water service for non-residential retail customers for non-payment of water and/or sewer bills, (b) the temporary suspension of discontinuation or shut off of power service for non-residential SFPUC Hetch Hetchy Power Customers in San Francisco for non-payment of power bills, and (c) temporary suspension of the return of delinquent CleanPowerSF customers to PG&E generation service for failure to pay CleanPowerSF charges; (2) extend by four months through July 31, 2022: (a) the temporary suspension of discontinuation or shut off of water service for City residential retail customers not enrolled in Customer Assistance Program (CAP) discounts for non-payment of water and/or sewer bills, and (b) the temporary suspension of discontinuation or shut off of power service for residential SFPUC Hetch Hetchy Power Customers in San Francisco not enrolled in CAP discounts for non-payment of power bills; (3) extend by five months, through August 31, 2022, (a) the temporary suspension of discontinuation or shut off of water service for City residential retail customers enrolled in CAP discounts for non-payment of water and/or sewer bills, and (b) the temporary suspension of discontinuation or shut off of power service for residential SFPUC Hetch Hetchy Power Customers in San Francisco enrolled in CAP discounts for non-payment of power bills; and (4) extend by 15 months through June 30, 2023, (a) the temporary suspensions of the imposition of late payment penalties or fees for delinquent water and/or sewer bills, and (b) the temporary suspension of the imposition of late payment penalties or fees for delinquent Hetch Hetchy Power Customer accounts; all of which are currently scheduled to end March 31, 2022. ([Resolution 22-0043](#))

Isobel Hayne, Rates Analyst, introduced the topic stating the request is to extend the moratorium on shutoffs and liens from March 31, 2002 to July 1, 2022, with fees to restart on July 1, 2003.

Analyst Hayne responded to a question from President Moran as to whether there is a sense that any individual who is utilizing the program will be in financial trouble at the end of the program. President Moran requested an update regarding the status of payments prior to July 1, 2022.

No public comment.

*On motion to approve item 17:
Ayes: Moran, Maxwell, and Paulson*

18. Authorize the General Manager to Memorialize the Customer Assistance Program (CAP) for residential customers in SFPUC's Rules and Regulations Governing Water Service to Customers, to modify the enrollment and eligibility verification processes, and to modify the water and wastewater discounts which, if authorized would take effect no later than April 1, 2022. ([Resolution 22-0044](#))

Michael Perlstein, Special Projects Manager, began with a history and background of the CAP: (1) 2004 CAP launched; (2) 2012-15 Controller's Office CAP Audit; (3) 2020-

22 Emergency CAP; and (4) Update and formalize rules.

He discussed two goals of the program: Goal 1: Improve program enrollment and administrative process based on emergency program learnings (on-line first application; eligibility self-certification with three-year recertification; annual post-enrollment verification; and ability to automatically enroll eligible affordable housing customers); and Goal 2: Clarify and memorialize program rules.

Mr. Perlstein noted that SFPUC's combined water and wastewater rates have increased greater than two times since 2010. He stated that 23% of water cost burdened (WCB) and energy cost burdened customers are linguistically isolated; 30% of residents in WCB households are over 65; and among all customers who pay water bills to the SFPUC, black residents are two times as likely to live in a WCB household.

Mr. Perlstein responded to a question from Commissioner Maxwell that prior to the audit how many households received benefit who were not eligible.

Public Comment:

- David Pilpel stated he has no objection to the item and asked (1) if outreach was conducted and if it was it brought before the Citizens' Advisory Committee; (2) how does it compare to PGE's CARE and other utility customer discount programs; (3) if there is protection for customer information/data by a third-party vendor and if safeguards are in place.

On motion to approve item 18:

Ayes: Moran, Maxwell, and Paulson

19. Update the SFPUC's permanent water waste restrictions (Resolution 16-0127), also contained in Section E, Rule 12 of the SFPUC's Rules and Regulations Governing Water Service to Customers and Resolution, to add a new provision prohibiting any homeowner's association or community service organization from penalizing or threatening individual owners who take measures to reduce irrigation use, to reflect a similar provision in the counterpart emergency water waste regulations adopted by the California State Water Resources Control Board (State Water Board) on January 4, 2022 (Resolution 2022-0002) in response to California's current drought. ([Resolution 22-0045](#))

No public comment.

In response to a question as to why the update is needed, Julie Ortiz, Project Manager, indicated that it is reflective of actions taken by the State Water Resources Control Board. She noted the SFPUC has not received complaints from any homeowner associations.

On motion to approve item 19:

Ayes: Moran, Maxwell, and Paulson

20. Adjournment

President Moran adjourned the meeting at 3:54 PM.