



San Francisco Water Power Sewer

Services of the San Francisco Public Utilities Commission

SAN FRANCISCO PUBLIC UTILITIES COMMISSION City and County of San Francisco

London N. Breed
Mayor

MINUTES
Tuesday, July 14, 2020
1:30 P.M.
(Approved July 28, 2020)

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

Commissioners

Ann Moller Caen, President
Francesca Vietor, Vice President
Anson Moran
Sophie Maxwell
Tim Paulson

Harlan L. Kelly, Jr.
General Manager

Donna Hood
Secretary



1. Call to Order

President Caen called the meeting to order at 1:31 PM.

2. Roll Call

Present: Caen, Vietor, Moran, Maxwell and Paulson

3. Approval of the Minutes of June 23, 2020

On Motion to approve the Minutes of June 23, 2020

Ayes: Caen, Vietor, Moran, Maxwell and Paulson

No public comment.

4. General Public Comment

- Francisco DaCosta discussed the subpoena that was delivered to the SFPUC. He questioned where taxpayer money is going and stated that community benefits money has been wasted.
- Unidentified speaker discussed access to the floodwater grant program and to the allotment of funds available per household.
- David Pilpel expressed appreciation for staff who continue to work 24/7 to ensure service. He asked when in-person payments will be allowed. He discussed the subpoena and allegations and asked if public responses will be made.
- Jackie (inaudible) stated safe bike access needs to be made available on the Sawyer Camp Trail and Cañada Road.
- Bill Martin stated any additional water flow needs to the benefit the fish.
- Alita Dupree stated she values public power and wants continued discussions to build municipal utility district. She supports clean hydroelectric power and renewable energy.

5. Communications

- a) Contract Advertisement Report
- b) Correspondence Log
- c) Crystal Springs Regional Trail Update
- d) Report on the Recent Purchase of Driscoll Ranch
- e) Status of Large Development Projects in the Regional Water Supply Service Area
- f) Water Supply Conditions Update

No public comment.

6. Report of the General Manager (GM)

a) Update on SFPUC Operations During COVID-19 Emergency

Harlan Kelly, Jr. GM, provided a COVID-19 update. He noted the Governor's order to "pause" reopening. He discussed the city's long-term recovery which could last 12 to 18 months. He noted SFPUC employees will continue to work as Disaster Service Workers throughout the duration of the emergency. He reviewed agency efforts to equip employees with personal protective equipment and to allow employees to "check out" equipment, such as office chairs, for their remote work. He stated the SFPUC concluded the fiscal year in the black with little to no financial impact to

employees or projects. He stated that 5,000 applications for the residential emergency customer assistance has been received. He indicated a similar program for non-profit and small business customers will launch soon.

GM Kelly responded to a question from President Caen as to when the headquarter building will be open, including to the public.

Public Comment

- David Pilpel indicated he had difficulty hearing the GM speak via the phone line.
- Alita Dupre indicated she had difficulty hearing the GM speak via the phone line. She stated that the website allows for electronic bill pay but has limited retail options. She suggested allowing customers to pay from within their community, similar to options for reloading transit cards.

b) Update to SFPUC Operating and Capital Budget FY 2020-21 & 2021-22

Charles Perl, Deputy CFO, provided an update to the SFPUC's operating and capital budgets for FY 2020-21 and FY 2021-22. He noted the Mayor's proposed budget will be submitted to the Board of Supervisors on July 31, 2020. The SFPUC budget will be presented to the Board on August 14th and 21st.

He reviewed the FY 20-21 and FY 21-22 budget reductions: FY 20-21 total Operating Budget \$1,785.5 (62.2% reduction) and total budget \$2,167.4 (84.3% reduction); and FY 21-22 total Operating Budget \$1,862.0 (80.1% reduction) and total budget \$2,420.1 (110.1% reduction).

He continued with an overview of FY 20-21 and FY21-22 budget reduction overview: citywide salary and benefit savings of 14%, budget balancing reductions 72%, and other 14%. He continued with a reduction overview for Water, Wastewater, Hatchy, CleanPowerSF and Bureaus (operating and capital cuts). Mr. Perl concluded with a review of FY20-21 and FY21-22 budget balancing (position) with 48 position changes.

Public Comment

- David Pilpel commented he cannot hear the GM via the phone line. He expressed support for budget rebalancing efforts. He asked that staff identify themselves when speaking.

7. Southeast Area Major Projects Status Update

Stephen Robinson, Wastewater Enterprise Capital Programs Director, provided an update regarding the Southeast area projects: (1) Southeast Plant (SEP) Biosolids Digester Facilities Project, (2) SEP New Headworks Facilities Project, (3) Southeast Community Center at 1550 Evans, (4) common elements of working together, (5) building foundations update, and (5) Issues, challenges and looking ahead for each project.

Director Robinson responded to a question from Commissioner Maxwell regarding the increasing number of piles being driven each day.

No public comment.

8. San Francisco Public Utilities Commission Workforce Equity Analysis

Justine Hinderliter, Chief People Person, presented the SFPUC Workforce Equity Analysis, beginning with key findings and opportunities for Latinx, Black and Female employees. She presented (1) ethnic group representation vs. labor market availability, (2) ethnic breakdown by job groups at the SFPUC, (3) representation of Black and Latinx employees in occupational categories (over represented in service workers and administrative support, and under-represented in executive/management and professional), (4) gender representation vs. labor market availability, (5) gender breakdown by job groups at the SFPUC, (6) engagement by ethnicity and gender over time, (7) engagement survey response rates by ethnicity and gender over time, (8) disciplinary/employment actions by ethnicity, (9) disciplinary/employment actions by gender, and (10) average severity of disciplinary/employment actions by ethnicity and gender.

Commissioner Paulson thanked Ms. Hinderlitner for her thorough presentation. He discussed the make-up of the workforce in construction and the need to recruit a diverse workforce.

Ms. Hinderlitner responded to a question from Vice President (VP) Vietor about metrics in goal setting and as to how plans and bold goals can be developed.

Commission Maxwell stated there are consultants available to help with these efforts.

Public Comment

- Cheryl Taylor indicated she is an African American woman who has worked as an analyst at the SFPUC for 9.5 years and has been dispatched to serve in other roles in the city throughout the years. She encouraged Commissioners to dig deeper into data for verification. She indicated that black staff have been ready and able to take promotions but have been blunted by questionable recruitment and hiring practices with predetermined outcomes. She indicated retention is critical.
- Francisco DaCosta stated the labor market is only one element and that an analysis and needs assessment is necessary to find out why prominent and hardworking SFPUC employees have left.
- Unidentified speaker indicated he supports diversity and wondered how there can be diversity with a racist in charge at the City Distribution Division.

9. Water Supply Planning Quarterly Report

Steve Ritchie, Assistant General Manager (AGM) Water, presented. He indicated a detailed report was communicated to the Commission at the June 9, 2020 meeting. He stated a new report format is being used in response to BAWSCA's request. He reviewed (1) planning to meet water supply needs, (2) limited supply options, (3) program trends and challenges, (4) staffing, (5) program highlights, and (6) general approach and timeline for developing alternative water supply planning.

AGM Ritchie responded to questions from VP Vietor regarding the process for the development of key objectives and outcomes for the overall water supply plan; if the Bay Delta resolution has been sent to the state; and how feedback is received.

No public comment.

10. New Commission Business

In response to comments from VP Vietor regarding the status of safe bike access at Sawyer Camp Trail and the flood grant program, the Commission Secretary indicated that item 5c is responsive to the Sawyer Camp Trail access inquiry and that the flood grant program will be on the August 25th agenda.

VP Vietor asked that staff investigate the technical difficulties.

Commissioner Maxwell requested “next steps”, plans, and disciplinary issues related to underrepresented employees. GM Kelly suggested the request be addressed during item #12 on the agenda.

Public Comment

- *Jed Holtzman, 350 Bay Area, discussed the technical difficulties and asked that they be addressed. He suggested Zoom for meetings.*
- *Eric Brooks, Our City, Clean Energy Coalition, discussed technical difficulties and suggested Zoom for meetings.*
- *David Pilpel thanked the Commission and callers for acknowledging the technical difficulties. He noted the difficulty of monitoring speaking time and suggested the moderator note time limit.*

The Commission Secretary stated that effective with the August 25th meeting a different platform will be used for public comment.

11. Consent Calendar

- a) Authorize the General Manager to execute, on behalf of the City and County of San Francisco, a Memorandum of Understanding with the Modesto Irrigation District and the Turlock Irrigation District for an amount not-to-exceed \$2,000,000 and with a duration of four years, which will allow the SFPUC to reimburse the Districts for certain stream gauging activities, and permit the SFPUC and the Districts to jointly pay for services involving collaborative monitoring, research, mutual aid, and other activities within the Tuolumne River watershed. ([Resolution 20-0140](#))
- b) Approve the terms and conditions of, and authorize the General Manager to execute, a five-year Memorandum of Understanding with the San Francisco Port Commission to allow the SFPUC Customer Service Bureau to rent approximately 3,440 square feet of shed space within Pier 33 to operate SFPUC inspection services associated with the supply and billing of water delivered to ships docked at the Port, at an initial annual rent of \$68,112, with three percent annual increases thereafter. ([Resolution 20-0141](#))

- c) Approve Amendment No. 3 to Agreement No. CS-1021, Inventory Auditing Services, with Macias Gini & O'Connell LLP, to provide inventory count and auditing services for Hetch Hetchy, Water Enterprise, and Wastewater Enterprise inventory locations for fiscal year 2021; and authorize the General Manager to execute this amendment, increasing the agreement amount by \$56,250 and increasing the agreement duration by one year, for a total not-to-exceed amount of \$178,750 and a total agreement duration of six years and seven months. ([Resolution 20-0142](#))
- d) Approve an increase of 143 calendar days to the contract duration contingency for Contract No. HH-989 Holm Powerhouse Rehabilitation and Kirkwood Powerhouse Oil Containment, with Big Valley Electric; and authorize the General Manager to approve future modifications to the contract for a total contract duration of up to 1,034 consecutive calendar days, with no change to contract amount. ([Resolution 20-0143](#))
- e) Approve an increase of \$200,000 to the contract cost contingency, and an increase of 180 calendar days to the contract duration contingency, for Contract No. WD-2809, San Francisco Groundwater Supply Phase 2; and authorize the General Manager to approve future modifications to the contract for a total contract amount of up to \$11,358,000 and a total contract duration of up to 1,255 consecutive calendar days. ([Resolution 20-0144](#))
- f) Approve an increase in the amount of \$500,000 to the contract cost contingency, and an increase of 100 calendar days to the contract duration contingency, for Contract No. WW-627R, Baker Beach Green Streets; and authorize the General Manager to approve future modifications to the contract for a total contract amount of up to \$8,334,200 and a total contract duration of up to 683 consecutive calendar days. ([Resolution 20-0145](#))
- g) Accept work performed by Trinet Construction Inc., for Contract No. WW-643R, Oceanside Water Pollution Control Plant Building 620 Improvements; approve Modification No. 4 (Final), decreasing the contract amount by (\$11,783) for a total contract amount of \$2,309,380, and a total contract duration of 775 consecutive calendar days; and authorize final payment to the Contractor. ([Resolution 20-0146](#))
- h) Approve an increase of 300 calendar days to the existing contract duration contingency for Contract No. WW-664, North Point Wet Weather Facility Sedimentation Tank Influent Gate Upgrades; and authorize the General Manager to approve future modifications to the contract for a total revised contract duration of up to 894 consecutive calendar days, with no change to the contract amount. ([Resolution 20-0147](#))
- i) Approve the plans and specifications, and award Contract No. WW-702R, Jackson, Griffith, and Pierce Streets Combined Sewer Discharge Rehabilitation and Backflow Prevention, in the amount of \$3,886,300, with a duration of 460 consecutive calendar days, to the lowest, qualified, responsible and responsive bidder, Trinet Construction, Inc., to perform rehabilitation and install backflow prevention systems

in the Jackson and Griffith Streets combined sewer discharge (CSD) structures, and decommission the Pierce Street CSD. This action constitutes the Approval Action for the project for the purposes of California Environmental Quality Act, pursuant to Section 31.04(h) of the San Francisco Administrative Code. ([Resolution 20-0148](#))

Public Comment

- David Pilpel spoke to item 11i and asked if there is any impact, as a result of this item, the number of discharges allowed under the permit. Kathy How, AGM Infrastructure, indicated there is no change to the number of discharges allowed.

On Motion to approve the Consent Calendar items 11a through 11i:

Ayes: Caen, Vietor, Moran, Maxwell and Paulson

The Commission recessed at 4:03 PM and returned to order at 4:15 PM.

12. Adopt Resolution of the San Francisco Public Utilities Commission Condemning Systemic Racism and Taking Action to Promote Racial Justice. ([Resolution 20-0149](#))
GM Kelly discussed the process for the development of the resolution. He introduced Yolanda Manzone, who highlighted the resolution's overall goals and provided an outline of the essential components of the resolution, as determined by the Executive Team.

Goals: (1) articulate agency commitment to advance racial justice while carrying out the mission as a regional employer and a water, power and sewer provider, (2) to be responsive to Commission requests and to the moment of civil unrest, and (3) to be meaningful and spark change.

Ms. Manzone stated the resolution acknowledges and documents the historical, structural, and institutional racism that persists. It acknowledges San Francisco government's role in inequities and condemns structural and anti-Black racism. It captures the breath of relevant activities at the SFPUC and reaffirms the agencies core values and work. The resolution calls upon government to step-up and focuses on data and accountability. She indicated the "Resolved" clauses call out steps to move from intent into meaningful progress and to dedicate time and resources to eliminate structural and institutional racism.

Commissioner Paulson expressed support for the resolution and moved the item.

VP Vietor thanked staff and the Executive Team for their work on the resolution. She thanked Commissioner Maxwell for her leadership and provided brief comments on the resolution.

Commissioner Moran seconded the motion.

Commissioner Maxwell thanked staff and VP Vietor for their work.

VP Vietor proposed an amendment as a result of comments made by Commissioner Maxwell during item #10, to be inserted as the 15th Further Resolved clause, to read:

"Further Resolved, That the General manager will work to improve the SFPUC record on disciplinary action and give more attention to the results of the data presented on July 14, 2020 by the SFPUC's Chief People Officer; and be it"

GM Kelly noted the Commission will receive quarterly updates at the request of Commissioner Maxwell.

Public Comment

- Francisco DaCosta stated the difference between a resolution and ordinance is enforcement. He stated community benefit dollars are being wasted and key managers need to be fired.
- Eric Brooks, Our City, stated corporate malfeasance in the Bayview is systemic racism. He stated the resolution does not address law enforcement on SFPUC property.

Motion #1: On Motion to approve the proposed amendment: "Further Resolved, That the General manager will work to improve the SFPUC record on disciplinary action and give more attention to the results of the data presented on July 14, 2020 by the SFPUC's Chief People Officer; and be it"

Ayes: Caen, Vietor, Moran, and Maxwell

Absent: Paulson

Motion #2: On Motion to approve the resolution as amended.

Ayes: Caen, Vietor, Moran, and Maxwell

Absent: Paulson

President Caen thanked Ms. Manzone for her presentation.

13. Approve and authorize the Small Business and Nonprofit Customer Assistance Program for COVID-19 Relief consisting of a temporary 20% emergency discount on water and sewer bills for small businesses and non-profit organizations with a maximum of 50 full-time employees that have experienced income loss due to COVID-19. Applications will be accepted on a first come, first served basis, starting on July 17, 2020 and ending on December 31, 2020, or when the program's \$4.5 million funding is exhausted, whichever occurs first. Eligible customers will receive the discount for six months, ending no later than June 30, 2021. ([Resolution 20-0150](#))
Erin Franks presented the item beginning with a status update for the Residential Emergency Program which launched in May and has almost 5,000 applications. She discussed the Small Business and Nonprofit Emergency Assistance Program, which will offer 20% water/wastewater discount for six months, beginning from the application date. The scheduled launch is July 17, 2020, with applications being accepted through the end of 2020 or until the funding cap of \$4.5M is reached. She reviewed eligibility criteria and noted that it is self-certification.

Public Comment

- Eric Brooks, Our City San Francisco, expressed support for the item. He noted the item is crucial and that even more money for the program is needed.

On Motion to approve Item 13

Ayes: Caen, Vietor, Moran, and Maxwell

Absent: Paulson

14. Approve Amendment No. 3 to Agreement No. CS-109, Specialized Engineering Services, Recycled Water Projects, with Kennedy Jenks Consultants, Inc./Bahman Sheikh Water Reuse Consulting/Water Resources Engineering, Inc. a Joint Venture, to provide additional technical and engineering services in support of the Westside Recycled Water Project; and authorize the General Manager to execute this amendment, increasing the contract amount by \$1,950,000 for a total not-to-exceed agreement amount of \$9,950,000 and no change to contract duration. ([Resolution 20-0151](#))

Kathy How, AGM Infrastructure, introduced the item and requested approval.

No public comment.

On Motion to approve Item 14

Ayes: Caen, Vietor, Moran, and Maxwell

Absent: Paulson

15. Approve Amendment No. 1 to Agreement No. PRO.0028, New Headworks Facility Construction Management Staff Augmentation Services, with HDR Engineering, Inc. for construction management staff augmentation services for the New Headworks Facility Project; and authorize the General Manager to execute this amendment, increasing the agreement amount by \$10,000,000, and increasing the agreement duration by one year, for a total not-to-exceed agreement amount of \$27,000,000 and a total agreement duration of seven years, subject to the Board of Supervisors approval pursuant to Charter Section 9.118. ([Resolution 20-0152](#))

AGM How introduced the item and requested approval.

No public comment.

On Motion to approve Item 15

Ayes: Caen, Vietor, Moran, Maxwell and Paulson

16. Discussion and possible action (1) Confirming Commission policy regarding CleanPowerSF procurement of specified sources of nuclear energy, (2) establishing Commission Policy requiring CleanPowerSF to decline any allocations of nuclear energy, including for the purpose of reselling it in the wholesale market, and (3) establishing Commission policy requiring CleanPowerSF not to purchase energy from asset controlling suppliers to meet its GHG-reduction objectives, to the extent other low or zero carbon resources are available and cost-effective. ([Resolution 20-0153](#))

Barbara Hale, AGM Power, introduced the item and provided information on the Commission's product content policy which addresses the procurement of nuclear power. She noted that on May 7th the California PUC passed a resolution that gave CleanPowerSF the option to voluntary accept approximately 350,000 MWh of greenhouse gas free nuclear energy from PG&E for the remainder of 2020, and possibly future years. She described three available options (1) accept allocation as part of the energy portfolio to serve retail customers, (2) accept allocation for resale into the wholesale market, or (3) decline allocation.

She noted that due to the product content policy the first option is not possible. She provided comment on why staff recommends against option two. She discussed why staff recommends option three and further discussed the resolution. She noted productive discussion occurred with stakeholders after the item was removed from the July 14, 2020 agenda.

Discussion ensued and VP Vietor proposed an amendment to strike the following words from the last Further Resolved clause: “....as long as other low or zero carbon energy resources are available and cost-effective for the program to procure.

Public Comment

- *Eric Brooks, Our City San Francisco, expressed support for the proposed amendment. He proposed a single word amendment to the fifth Whereas clause to replace the word “it” with the word “but”.*
- *Don Eichelberger, Abalone Alliance Safe Clearinghouse Alliance, wants to be given a choice on where his energy comes from. He does not support the purchase of nuclear.*
- *Jed Holtzman, 350 Bay Area, thank staff for their work, Commissioner Maxwell for her engagement, and VP Vietor for her amendment. He noted the PCIA is not an exit fee and will be paid for decades.*
- *Alita Dupree expressed support for the item and for the proposed amendments. She noted the need to protect the brand and to be bold and aspirational.*
- *Jessica Silva, Local Clean Energy Alliance, asked that the Commission not accept nuclear energy into the program, not even for resale. She discussed the PCIA Fee.*
- *Todd Snyder echoed previous speakers and thanked the Commission and staff for their work. He stated the SuperGreen brand is important and when customers sign up at the premium price, they expect their choice is truly fossil free.*
- *Melissa Yew, Sierra Club, echo precious statements. She asked that no nuclear power be accepted into the program. She thanked the Commission and staff for their work.*
- *Joanie Eisen, SuperGreen customer, thanked the Commission for the work on the resolution and for the amendment. She stated that nuclear energy should not be part of the mix.*

Commissioner Maxwell thanked the stakeholders and advocates for their work.

Motion #1: On Motion to approve the proposed amendment to strike the following words from the last Further Resolved clause: “.....as long as other low or zero carbon energy resources are available and cost-effective for the program to procure; and to include Mr. Brook’s proposed single word amendment to the fifth Whereas clause to replace the work “it” with the word “but”.

Ayes: Caen, Vietor, Moran, Maxwell, and Paulson

Motion #2: On Motion to approve the resolution as amended.

Ayes: Caen, Vietor, Moran, Maxwell, and Paulson

17. Adjournment

President Caen adjourned the meeting at 5:45 PM.