SAN FRANCISCO PUBLIC UTILITIES COMMISSION
City and County of San Francisco

Edwin M. Lee
MAYOR

Minutes
Tuesday, April 26, 2016
(Approved 5/10/16)

1:30 P.M.
1 Dr. Carlton B. Goodlett Place
City Hall, Room 400
San Francisco, CA 94102

Commissioners
Francesca Vietor, President
Anson Moran, Vice President
Ann Moller Caen
Vince Courtney
Ike Kwon

Harlan L. Kelly, Jr.
General Manager

Donna Hood
Secretary

For information, contact the Commission Secretary at 554-3165.
Minutes and other information are available on the SFPUC web site:
www.sfwater.org
Gavel-to-Gavel coverage available at:
http://sanfrancisco.granicus.com/ViewPublisher.php?view_id=22
1. Call to Order  
Vice President (VP) Moran called the meeting to order at 1:35 PM.

2. Roll Call  
Present: Moran, Caen, Courtney, and Kwon  
President Vietor arrived at 1:44 PM.

3. Approval of the Minutes of March 22, 2016  
On Motion to approve the minutes of March 22, 2016:  
Ayes: Moran, Caen, Courtney, and Kwon  
No Public Comments.

4. General Public Comments  
- Ms. Ann Clark, Commonwealth Club/Friend of Camp Mather, discussed an upcoming Commonwealth Club event, “The El Niño Effect”, and stated that Deputy General Manager Michael Carlin is a guest speaker. She stated that Camp Mather is opening May 29th and encouraged visitors.  
- Mr. Francisco DaCosta discussed the 1800 Community Facility Building. He requested a fact sheet about the function of the building.  
- Mr. Eddie Ahn, Executive Director, Brightline Defense, expressed concerns with CalEnviroScreen and stated improvements are needed.  

President Vietor arrived at 1:44 PM.

5. Communications  
   a) Advance Calendar  
   b) Contract Advertisement Report  
   c) Letter Summary  
   d) Annual Electric Reliability Compliance Program Report  
   e) Report on lessons learned with regard to the Living Machine, solar panels, and wind turbines (QST-10.13.15-01)  
      VP Moran thanked staff for the report. He discussed the SFPUC Technology Policy and the pilot testing of emerging technology.  
   f) Management Response to Commission Question (QST-01.26.13-03)  
      VP Moran thanked staff for the response to his question. He stated the audit recommended changes to the City’s procurement practices and asked that staff prepare a response as to whether the SFPUC agrees with the audit’s premise that there are procurement deficiencies.  
   g) BAWSCA’s Comments on March 2016 Revised WSIP  

Public Comments  
- Mr. Eddie Ahn, Executive Director, Brightline Defense, asked if there was discussion at the prior meeting regarding CalEnviroScreen.
President Vietor requested that an update on CalEnviroScreen be provided at the next meeting.

6. **Other Commission Business**

Commissioner Courtney stated that Gleneagles Academy will head an effort to name a new community classroom. He indicated will come back to the Commission with a proposal to name the classroom.

7. **Report of the General Manager**

a) **Drought Update**

Mr. Steve Ritchie, Assistant General Manager (AGM), Water, provided a drought update. He discussed current reservoir storage levels, stating total system storage is at 79.6 percent. He discussed cumulative precipitation; snowpack; Upcountry 6-station precipitation index; Bay Area 7-station precipitation index; Tuolumne River Water available to the City; and total deliveries. He briefly reviewed State Water Board Emergency Conservation Regulations, noting potential action on modified regulations will be discussed at the Board’s May 18 meeting.

b) **Ocean Beach Update**

Mr. Tommy Moala, AGM Wastewater, introduced the item and Ms. Ana Roche, Climate Change and Special Projects Manager. Ms. Roche reviewed the Ocean Beach Master Plan (OBMP) Study Area, noted the six recommendations of the Master Plan, and touched on the status of those recommendations.

She discussed critical Wastewater infrastructure at South Ocean Beach which needs to be protected: Lake Merced Tunnel; Westside Transport Box; Westside Force Main; Sewer Outfall; Pump Station; Oceanside Treatment Plant. Ms. Roche described coastal erosion and discussed historic approaches to deal with erosion.

Ms. Roche described efforts to protect critical infrastructure since the completion of the OBMP. She reviewed long-term management strategies at Ocean Beach, stating those efforts adhere to the OBMP guiding principles. She provided a rendering of long-term management strategies, and discussed short-term management strategies, including sand bag placement.

Ms. Roche outlined partnership with federal agencies and described regional efforts, including dredge material (short and long-term strategies).

President Vietor thanked Ms. Roche for her presentation. Ms. Roche responded to questions from President Vietor as to when implementation will be complete, and regarding project funding.

Ms. Roche responded to a question from Commissioner Caen regarding removal of the Great Highway as showed in the rendering.
AGM Moala responded to a question from President Vietor about the transport boxes and tunnels. She expressed concern about timing. Ms. Roche provided response.

GM Kelly stated that there are competing financial needs and that a phased approach is necessary.

Public Comments

- Mr. Francisco DaCosta cautioned the Commission against discussing sea level rise in general terms. He stated that experts need to be gathered, all adversely impacted areas need to be discussed, and the Muwekma Ohlone Tribe needs to be involved.

GM Kelly informed the Commission that Mr. Tyrone Jue, Director of Communications, has accepted a position in the Mayor’s Office as a Senior Advisor on the Environment. He thanked Mr. Jue for his service and stated Mr. Charles Sheehan will be assuming the role as interim Director of Communications.

President Vietor thanked Mr. Jue for his service, wished him well, and welcomed Mr. Sheehan.

Commissioners Moran, Caen, Kwon and Courtney thanked Mr. Jue for his service and wished him well in his new position.

8. BAWSCA Report

Ms. Nicole Sandkulla, BAWSCA, discussed the letter they sent regarding proposed WSIP changes. She discussed their findings and recommendations associated with the WSIP schedule, scope, and budget.

Ms. Sandkulla discussed BAWSCA’s agencies water savings, which is at 26.5 percent through February. She indicated that collectively, agencies have achieved 81 percent of needed savings.

President Vietor asked staff to review BAWSCA’s recommendations and return to the Commission regarding possible implementation.

No public comment.

The Commission Secretary read the Consent Calendar items.

9. Consent Calendar

a) Approve Amendment No. 1 to Agreement No. CS-200, with Associated Right of Way Services Inc., to continue providing right of way services for the program projects; and authorize the General Manager to negotiate and execute this amendment, extending the agreement duration up to two years, for a total
agreement duration of six years, seven months, with no change to the agreement amount.  (Resolution 16-0060)

b) Approve Amendment No.1 to Agreement No. CS-224B, System Integration and Support Services – Related to Project Controls, with Westland Management Solutions, Inc., to provide specialized system integration and support services to implement and improve the delivery of its Capital Improvement Programs and Capital Projects for all Enterprises; and authorize the General Manager to execute this amendment, increasing the agreement by $4,500,000, for a total not-to-exceed agreement amount of $9,000,000; and extending the agreement term by three years, for a total contract duration of nine years.  (Resolution 16-0061)

c) Approve Amendment No. 2 to Agreement No. CS-225R, Seismic Upgrade of Bay Division Pipeline Nos. 3 & 4 at Hayward Fault, Construction Management Services, with EPC Consultants, Inc., to continue providing construction management services; and authorize the General Manager to execute this amendment, with a time extension of one year, for a total agreement duration of four years and 10 months, with no change to the agreement amount.  (Resolution 16-0062)

d) Approve Amendment No.2 to Agreement No. CS-303, College Hill Garden Design with Pam Nagle, to extend the contract through implementation of the K-5 curriculum at the learning garden; and authorize the General Manager to execute this amendment, increasing the agreement by $50,000, for a total not-to-exceed agreement amount of $395,000, and with a time extension of four months, for a total agreement duration of two years and 11 months.  (Resolution 16-0063)

e) Approve Amendment No. 2 to Agreement No. CS-361, Watershed Maintenance Project, with the San Francisco Conservation Corps, to assist with the maintenance of diverse watershed lands owned and operated by the San Francisco Public Utilities Commission; and authorize the General Manager to execute this amendment, increasing the agreement by $75,000, for a total not-to-exceed agreement amount of $300,000, and with a time extension of eight months, for a total agreement duration of two years and two months.  (Resolution 16-0064)

f) Approve Amendment No. 2 to Agreement No. CS-963, Program Construction Management Services for the WSIP, with AECOM USA, Inc., for extended construction management services consistent with the March 2014 Revised WSIP proposal presented to this Commission on April 22, 2014; and authorize the General Manager to execute this amendment extending the agreement duration up to two years and seven months, for a total agreement duration of nine years, 11 months, and 22 days, with no change to the agreement amount.  (Resolution 16-0065)
g) Approve the plans and specifications, and award Contract No. HH-982, Moccasin Facilities Upgrade – Moccasin Shops/Office Building and Materials Bins, in the amount of $9,171,000, to the lowest, qualified, responsible and responsive bidder, Robert E. Boyer Construction, Inc., to construct a 10,000 square foot LEED Gold combination shops/office building and replacement materials bins in the Moccasin Yard. 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 16-0066)

h) Accept work performed by Azul Works, Inc., for Contract No. WD-2696, Auxiliary Water Supply System – New Cisterns B; Approve Modification No. 6 (Final), decreasing the contract amount by $111,210, to reconcile final payment items to reflect actual quantities used under unit price and allowance bid items, for a total contract amount of $4,100,608, and with a time extension of 199 consecutive calendar days; and authorize final payment to the contractor. (Resolution 16-0067)

i) Approve Modification No. 2 to Contract No. WD-2503R, 8-Inch Ductile Iron Main Installation in Jackson, Washington, Sacramento, and Davis Streets, with Empire Engineering and Construction Inc., increasing the contract amount by $303,590, for a total contract amount of $3,347,533, and with a time extension of 125 consecutive calendar days; and authorize final payment to the contractor. (Resolution 16-0068)

j) Accept work performed by Anvil Builders Inc., for Contract No. WW-589, Oceanside Water Pollution Control Plant Total Solid Control and Waste Activated Sludge System Upgrade; Approve Modification No. 1 (Final), decreasing the contract amount by (-$25,642), for a total contract amount of $1,554,858, and with a total contract duration of 395 consecutive calendar days; and authorize final payment to the contractor. (Resolution 16-0069)

k) Authorize the General Manager to execute, on behalf of the City and County of San Francisco, an Agreement with the Muwekma Ohlone Tribe to assist the San Francisco Public Utilities Commission in the development of interpretive exhibits related to the Tribe at the SFPUC’s proposed Alameda Creek Watershed Center in Sunol; and in the treatment of human remains exposed as a result of construction of the Project; and contribute to the final archaeological report through an agreement with a term of 36 months, and with an agreement amount not-to-exceed $208,000. (Resolution 16-0070)

On Motion to approve Consent Calendar items 9a through 9k:
Ayes: Vietor, Moran, Caen, Courtney, and Kwon

No Public Comment.
10. **Public Hearing: Discussion and possible action to approve the project-level scope, schedule and budget of the March 2016 Revised Water System Improvement Program (WSIP) and direct staff to send a Notice of Change Report to the California Joint Legislative Audit Committee, the California Department of Public Health and the California Seismic Safety Commission in compliance with California Assembly Bills 1823 and 2437.** (Resolution 16-0071)

Mr. Dan Wade, WSIP Director, presented the March 2016 Revised WSIP, stating that this is the seventh revision. He noted the reasons the revisions are needed and discussed the program status (regional and local).

Mr. Wade provided a Revision Summary: (1) Scope refinement to four projects; (2) Addition of WSIP Closeout Projects to San Joaquin, Sunol Valley, Bay Division, and Peninsula; (3) Revised Program Completion; and (4) Revised Program Budget.

Mr. Wade discussed the project-level budget revision, including Regional Projects with the largest cost savings. He stated that the Local Project cost savings is $6.5M. Mr. Wade continued, noting Regional Projects with the largest cost increases. He stated that Local Projects have no cost increases.

Mr. Wade reviewed the proposed budget revisions, indicating a net WSIP Program increase of $80M. He noted that the financing costs are expected to be lower, and addressed Ms. Sandkulla’s concerns about financing.

On Motion to approve item 10:
Ayes: Vietor, Moran, Caen, Courtney, and Kwon

No Public Comments.

At the request of the President, the Commission Secretary read items 11, 12 and 13 together.

11. **Presentation by the Rate Fairness Board (RFB): Report on the proposed schedule of electric rates, fees, and charges for FY 2016-17 and FY 2017-18.**

12. **Public Hearing: Discussion and possible action to adopt a proposed new schedule of rates, fees and charges for Hetch Hetchy Power Enterprise electric utility service for certain municipal customers or other public or governmental agencies, to be applied to meter readings on or after July 1, 2016.**

13. **Public Hearing: Discussion and possible action to adopt a proposed new schedule of retail electric rates, fees and charges for residential, commercial and industrial customers where the Hetch Hetchy Power Enterprise has been designated as the power provider for retail customers (not municipal or certain existing public agency customers), to be applied to meter readings on or after July 1, 2016.**
Mr. Eric Sandler, CFO and AGM Business Services, began with a background on the Proposition E Charter amendment of November 2002, and on the Commission Rates Policy of February 2012.

He reviewed the 2016 Cost of Service Study Scope which will: (1) Determine revenue requirement; (2) Calculate cost of service; and (3) Provide rate design. He reviewed the 2016 Cost of Service Study Schedule: (1) 2016 Power Cost of Service Study schedule; and (2) Rate Fairness Board Activities.

CFO Sandler discussed main consultant recommendations: (1) Adopt reserve find targets; (2) Complete internal metering for electric customers; (3) Track revenue based on system of accounts; (3) Establish proposed customer classes; and (4) Implement recommended rates.

Mr. Sandler reviewed the three types of rates for the Power Enterprise: (1) Retail rates (non-municipal customers); (2) GUSE Rates (certain municipal and government agencies); and (3) Standard rates (governmental enterprise customers).

He noted the steps used in developing the recommendation: (1) 2016 Power Enterprise Business Plan; (2) Revenue challenges; (3) Legacy rates for GUSE customers; and (4) Competing policy objectives.

Mr. Sandler outlined the recommended retail rates, discussed history of GUSE rates, and reviewed recommend GUSE rates. CFO Sandler discussed the summary of average rate under different scenarios, and discussed next steps.

AGM Sandler responded to a question from Commissioner Caen regarding why GUSE rates are kept below the cost of service. She expressed concern about continuing GUSE rates. GM Kelly provided additional response. Brief discussion ensued.

VP Moran noted competing policy objectives and stated that there needs to be a clear difference between affordability and rate shock. He stated that the GUSE rates are affordable and there is an implementation problem, not an affordability problem. GM Kelly provided additional comments. Brief discussion ensued.

President Vietor questioned the timeline and process for the following: (1) How was the 10 percent below PGE figure was achieved, and is there room for movement for additional revenue; (2) Reserve Policy; (3) Revisit the 1989 Resolution on rate setting; and (4) How to get to the Cost of Service. She requested additional analysis and discussion to get to a comfortable level.

GM Kelly responded to a question from Commissioner Caen on increasing GUSE rates.
GM Kelly requested clarification on how to proceed. President Vietor provided suggestions. VP Moran stated it will take time, and that he would like to see language in the resolution that directs staff to develop plan in a way that gets the SFPUC closer to recovering the cost of service over a reasonable period of time.

Mr. Kevin Cheng, RFB Chair, provided background on the 2016 Independent Power Cost of Service Study and the RFB mandate. He noted current RFB members, and reviewed the timeline of the RFB public hearings that were held to discuss the proposed electric rates.

He reviewed multiple rate objectives and discussed the RFB observations, stating that the RFB has confidence in the cost-of-service study, and that that staff/consultant proposals are similar (but with some differences), which were noted.

Mr. Cheng reviewed retail (residential) rate proposals; GUSE rate proposals; stand rate proposals; and all customers rate proposals.

Mr. Cheng outlined the RFB concerns and issues: (1) Half cent GUSE rate increase is not sustainable; and (2) GUSE rate customers need time to process change.

He discussed the RFB recommendations: (1) Recommend rates as proposed by staff; (2) Recommend staff return to RFB and Commission in FY 2017-18 to set rates for FY 2018-19 and beyond; (3) Recommend net surplus compensation rates for CleanPowerSF as proposed by staff for FY 2016-17; and (4) Recommend Net surplus compensation rate and fees for the Power Enterprise as proposed by staff for FY 2016-17.

Mr. Cheng responded affirmative to a question from President Vietor as to whether the RFB looked at the question of the cost of service and past cut restoration. GM Kelly stated that past cuts cannot be restored, and that reserves need to be restored to a healthy level. VP Moran provided additional comments.

Public Comments on items 11, 12 and 13
- Mr. Jed Holtzman, 350 SF, discussed increasing rates and cost of service. He encouraged the maximum energy efficiency to reduce the load.
- Mr. Eric Brooks, SF Green Party/Our City San Francisco, said cost of service needs to be re-defined and that capital projects for renewable energy need to be developed. He said there should be no interruption of rate increases.

At the request of the President, the Commission Secretary read items 14 and 15 together.

14. Public Hearing: Discussion and possible action to adopt a Net Energy Metering schedule for CleanPowerSF (NEM-CleanPowerSF), rates for Net Surplus
Compensation for NEM-CleanPowerSF customers, and new residential time-of-use rates, which would:

1. Direct the General Manager to implement the NEM-CleanPowerSF schedule for eligible CleanPowerSF customers;
2. Establish a Net Surplus Compensation Rate for eligible CleanPowerSF NEM customers if they are net electricity generators over the course of a 12-month period;
3. Direct the General Manager to report back to the Commission annually on the status of the NEM-CleanPowerSF Program; and
4. Adopt new time-of-use rates for residential customers and authorize the General Manager to periodically incorporate new rate schedules to ensure that CleanPowerSF customers have rate offerings that are comparable to what they would receive as generation customers of Pacific Gas and Electric Company (PG&E), as long as those rates do not exceed PG&E rates, less the Power Charge Indifference Adjustment and Franchise Fee Surcharge. (Resolution 16-0072)

15. Public Hearing: Discussion and possible action to adopt a Customer Self-Generation Program Implementing Net Energy Metering (NEM) and Shared Renewable Energy (ShaRE) Schedule, which would:

1. Direct the General Manager to implement a NEM schedule for SFPUC retail electricity customers as required by Public Utilities Code 2827;
2. Find that based on the results of the Customer Generation Pilot Program (at Pier 1 and Fort Mason), ShaRE will not increase the expected revenue requirement from non-participating customers (i.e., cause cost shifting) beyond what would otherwise occur under standard NEM;
3. Direct the General Manager to implement the proposed ShaRE program, extending the benefits of NEM to SFPUC electricity customers with multi-tenant and multi-meter facilities located on the same or contiguous properties;
4. Direct the General Manager to develop a Net Surplus Electricity Compensation Rate, based on determination of the SFPUC’s generation rate, for eligible SFPUC electricity on the NEM schedule if they are net electricity producers over the course of a 12-month period; and
5. Direct the General Manager to report back to the Commission annually on: (a) the status of the Customer Self-Generation Program, including total participating generating capacity and annual Net Surplus Electricity Compensation; and (b) any needed program refinements to protect non-participants from cost-shifts and promote the development of local renewable energy resources.

Ms. Barbara Hale, AGM Power, began with an update on CleanPowerSF. She indicated the program is on target for a May 1 launch to 7,800 customers, of which 220 are SuperGreen. She stated there is less than one-percent opt-out. She noted the August 1 enrollment deadline for service to begin November 1st. She stated outreach efforts continue.
(Item 14) AGM Hale began with a presentation reviewing two new time use of rate schedules for CleanPowerSF customers. She stated that the CPUC authorized PG&E to modify residential rate structures, and recommend that CleanPowerSF establish a comparable rate schedule. She requested that the GM have the authority to periodically implement new rate schedules to ensure CleanPowerSF has rate schedules that correspond to new PG&E schedules.

She reviewed Net Energy Metering (NEM) requirements, and NEM Program design objectives. She provided a definition of NEM and discussed how it works (solar and CleanPowerSF examples).

Ms. Hale reviewed proposed NEM CleanPowerSF terms and Conditions: (1) Apply CleanPowerSF rate schedules; (2) Monthly billing; and (3) Annual settlement (April).

AGM Hale responded to a question from President Vietor regarding renewable energy credits that are not assigned to CleanPowerSF. Brief discussion ensued.

(Item 15) AGM Hale continued her presentation with a background of Net Energy Metering and Shared Renewable Energy (ShaRe) Programs for Hetch Hetchy Power.

She stated there are two new proposed NEM programs for Hetch Hetchy Power (Standard NEM and ShaRe). She indicated a pilot program has been implemented since 2014, with two active customers (Pier 1 at the Port of San Francisco, and Fort Mason Center).

She discussed how NEM works with Hetch Hetchy service, and reviewed NEM Hetch Hetchy Terms and Conditions: (1) Apply Hetch Hetchy Rate Schedules; (2) Monthly billing; (3) Annual Settlement (April); (4) Net Surplus Compensation Rate; and (4) Renewable Attribute Adder.

She discussed how ShaRe works and reviewed Service Terms and Conditions: (1) Applicable to multi-tenant or multi meter properties at same or contiguous properties; (2) System size cap at 1 MW and must offset; (3) Crediting apportioned to benefitting accounts; (4) ShaRe Account Fees; and (5) 5 MW Participation cap.

AGM Hale concluded by outlining next steps and requested approval.

In response to the request that the GM be authorized to implement new CleanPowerSF rate schedules, VP Moran stated that the SFPUC needs to be commercially flexible and responsive to act quickly; however, he wants Commission to be in charge of rates. He asked staff to return with recommendation for a long-term plan to allow for commercial flexibility, but with the Commission in charge of rate-setting.
AGM Hale summarized VP Moran’s request. VP Moran clarified his request for a long-term plan, versus the proposed approval for agenda item 15, noting proper authorities need to be in place.

AGM Hale suggested an amendment to the resolution, to remove the fifth “Further Resolved” clause, and remove the following language in the final “Further Resolved” clause “…including the direction to adjust the initial rates prior to commencement of the opt-out process…” AGM Hale noted that the footnotes on the rate schedule are missing and should be added to the resolution.

VP Moran concurred and moved the amendment.

On Motion to approve the amendment to item 15:
Ayes: Vietor, Moran, Caen, Courtney, and Kwon

No public comment.

On Motion to approve item as amended:
Ayes: Vietor, Moran, Caen, Courtney, and Kwon

AGM Hale played an outreach video for CleanPowerSF.

Public Comments on items 14 and 15
• Mr. Jason Fried, LAFCo, stated staff did an excellent job in balancing the NEM rates and encouraged passage.
• Mr. Eric Brooks, SF Green Party/Our City San Francisco/SF Clean Energy Advocates/ CA for Energy Choice, echoed the thoughts of Mr. Fried. He concurred with VP Moran’s amendment. He stated there should be a ShaRe program for CleanPowerSF. He expressed the need for a comparison between CleanPowerSF and PGE solar share payments.

16. Approve Amendment No. 3 to Agreement No. CS-913, Construction Management Services - Bay Tunnel Project, with Jacobs Engineering Group, Inc., to continue providing construction management services; and authorize the General Manager to execute this amendment, with a time extension up to 11 months, for a total agreement duration of eight years, seven months, with no change to the agreement amount. (Resolution 16-0073)

On Motion to approve item 16:
Ayes: Vietor, Moran, Caen, Courtney, and Kwon

No public comment.

17. Approve Amendment No. 1 to Agreement No. CS-1010(G), Front Yard Ambassadors Program Grant, with Friends of the Urban Forest to continue providing program and project management services for the Front Yard
Ambassadors Program; and authorize the General Manager to execute this amendment, increasing the agreement by $80,000, for a total not-to-exceed agreement amount of $160,000, and with a time extension up to one year, for a total agreement duration of two years. (Resolution 16-0074)

On Motion to approve item 17:
Ayes: Vietor, Moran, Caen, Courtney, and Kwon

No public comment.

18. Authorize the General Manager to execute, on behalf of the City and County of San Francisco, a Memorandum of Agreement with the County of Tuolumne, for an amount not to exceed $2,365,354, and with a duration of six years, which will provide funding for fire suppression and protection, sheriff protection and patrol, road maintenance, ambulance services, and other essential services for the Hetch Hetchy Water and Power Project. (Resolution 16-0075)

On Motion to approve item 18:
Ayes: Vietor, Moran, Caen, Courtney, and Kwon

No public comment.

19. Authorize the General Manager to request the Mayor and Board of Supervisors’ approval of a supplemental appropriation in the amount of $5,937,594 for the Warnerville Substation Upgrades Project, if required. The project is necessary to mitigate the impacts to the City’s electric system caused by the interconnection of electric generating projects to the electric grid. (Resolution 16-0076)

On Motion to approve item 19:
Ayes: Vietor, Moran, Caen, Courtney, and Kwon

No public comment.

20. Adopt findings pursuant to the California Environmental Quality Act; Approve the partial quitclaim of a public utility easement encumbering San Francisco Block 8709, Lot 020; Approve the terms and conditions; and authorize the General Manager to execute the Easement Quitclaim Deed, transferring the City and County of San Francisco’s interests in a portion of the easement to Kaiser Foundation Health Plan, Inc. (Resolution 16-0077)

On Motion to approve item 20:
Ayes: Vietor, Moran, Caen, Courtney, and Kwon

No public comment.

21. Authorize the General Manager to negotiate to extend the Water System
Improvement Program Project Labor Agreement (PLA) to the Sewer System Improvement Program and Auxiliary Water Supply System Pumping Station 2 Project, subject to Commission approval of the terms of the PLA as modified. (Resolution 16-0078)

On Motion to approve item 21:
Ayes: Vietor, Moran, Caen, Courtney, and Kwon

No public comment.

22. Adopt findings pursuant to the California Environmental Quality Act related to an Ordinance proposed to be introduced at the Board of Supervisors on April 19, 2016, entitled Street Vacation and Sale of Property at Jessie Street and Elim Alley, Oceanwide Center, concerning matters that are within the jurisdiction of the San Francisco Public Utilities Commission; and Authorize the General Manager of the SFPUC to recommend that the Board approve the proposed Ordinance. (Resolution 16-0079)

On Motion to approve item 22:
Ayes: Vietor, Moran, Caen, Courtney, and Kwon

No public comment.

The Commission Secretary read the Closed Session items, and stated that item 34 would not be heard.

23. Public Comments on matters to be discussed in Closed Session.
   • Mr. Eric Brooks commented on items not related to Closed Session.

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

   On Motion to assert:
   Ayes: Vietor, Moran, Caen, Courtney, and Kwon

   The Commission entered Closed Session at 4:13 PM.

25. 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

26. Conference with Legal Counsel – Pursuant to California Government Code Section 54956.9 (d) (1) and San Francisco Administrative Code Section 67.10 (d) (1) Unlitigated Claim
   State Water Resources Control Board v. City and County of San Francisco
   City Attorney File No.: 160984
27. Conference with Legal Counsel – Pursuant to California Government Code Section 54956.9 (d) (1) and San Francisco Administrative Code Section 67.10 (d) (1)

Existing Litigation
Alfaro v. City and County of San Francisco
Filed Amended Complaint: December 8, 2015
City Attorney File No.: 160241

28. Conference with Legal Counsel - Pursuant to California Government Code Section 54956.9 (d) (1) and San Francisco Administrative Code Section 67.10 (d) (1)

Existing Litigation:
City and County of San Francisco v. Pacific Gas & Electric
Federal Energy Regulatory Commission
Case No.: EL15-3-000/Date Filed: October 10, 2014

29. Conference with Legal Counsel - Pursuant to California Government Code Section 54956.9 (d) (1) and San Francisco Administrative Code Section 67.10 (d) (1)

Existing Litigation:
Pacific Gas & Electric
Federal Energy Regulatory Commission
Tariff Withdrawal per 35.15: Notice of Termination of the 1987 CCSF Interconnection Agreement – PG&E Rate Schedule FERC No. 114 to be effective June 30, 2015.
Case No.: ER15-702-000/Date Filed: December 23, 2014

30. Conference with Legal Counsel - Pursuant to California Government Code Section 54956.9 (d) (1) and San Francisco Administrative Code Section 67.10 (d) (1)

Existing Litigation:
Pacific Gas & Electric
Tariff Withdrawal per 35.15: Notice of Termination of The CCSF Facilities Charge Agreement for Moscone to be effective June 30, 2015.
Case No.: ER15-703-000/Date Filed December 23, 2014

31. Conference with Legal Counsel - Pursuant to California Government Code Section 54956.9 (d) (1) and San Francisco Administrative Code Section 67.10 (d) (1)

Existing Litigation:
Pacific Gas & Electric
Federal Energy Regulatory Commission
§205(d) rate filing per 35.13 (a)(2)(iii): City and County of San Francisco Transmission Owner Tariff Replacement Agreements to be effective July 1, 2015.
Case No.: ER15-705-000/Date Filed: December 23, 2014

32. Conference with Legal Counsel - Pursuant to California Government Code Section 54956.9 (d) (1) and San Francisco Administrative Code Section 67.10 (d) (1)

Existing Litigation:
Pacific Gas & Electric
Federal Energy Regulatory Commission
§205(d) rate filing per 35.13 (a)(2)(iii): City and County of San Francisco Wholesale Distribution Tariff Replacement Agreements to be effective July 1, 2015
Case No.: ER15-704-000/Date Filed: December 23, 2014

33. Conference with Legal Counsel - Pursuant to California Government Code Section 54956.9 (d) (1) and San Francisco Administrative Code Section 67.10 (d) (1)
Existing Litigation:
Pacific Gas & Electric
Federal Energy Regulatory Commission
Notice of Termination of Facilities Charge Agreements between PG&E and the City and County of San Francisco
Case No.: ER15-735-000/Date Filed: December 23, 2014

34. Threat to Public Services or Facilities – Pursuant to California Government Code Section 54957 and San Francisco Administrative Code 67.10 (a)
Consultation with Agency Chief of Security concerning security of SFPUC Water and Power Systems.

The Commission exited Closed Session at 4:58 PM.

35. Announcement following Closed Session
President Vietor announced that a settlement was reached on item 26, and that no other action was taken.

36. Motion regarding whether to disclose the discussions during Closed Session
On Motion not to disclose:
Ayes: Vietor, Moran, Caen, Courtney, and Kwon

37. Other New Business
None.

38. Adjournment
President Vietor adjourned the meeting at 4:59 PM.