SAN FRANCISCO PUBLIC UTILITIES COMMISSION
City and County of San Francisco

Edwin M. Lee
MAYOR

AGENDA
Tuesday, September 13, 2016

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
Accessible Meeting Policy: The San Francisco Public Utilities Commission meeting will be held in Room 400, at 1 Dr. Carlton B. Goodlett Place (400 Van Ness Ave.), San Francisco, CA. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: MUNI Metro Lines J-Church, K-Ingleside, L-Taraval, M-Ocean View, N-Judah and T-Third at Van Ness and Civic Center Stations; F-Market; 19-Polk, 47-Van Ness; 49-Mission-Van Ness; 5-Fulton; 6-Parnassus, 21-Hayes; 9-San Bruno; and 71-Haight Noriega. For information about MUNI accessible services call 701.4485.

The meeting room is wheelchair accessible. Accessible curbside parking spaces have been designated on the Van Ness Avenue and McAllister Street perimeters of City Hall for mobility-impaired persons. There is accessible parking available within the Civic Center Underground Parking Garage at the corner of McAllister and Polk Streets, and within the Performing Arts Parking Garage at Grove and Franklin Streets.

To obtain a disability-related accommodation, including auxiliary aids or services, or to obtain meeting materials in alternative format, please contact Donna Hood at 415.554.0761. Providing at least 72 hours notice will help to ensure availability. Written reports or background materials for calendar items are available for public inspection and copying at 525 Golden Gate Ave., 13th Floor during regular business hours and are available on-line at http://www.sfwater.org/index.aspx?page=167.

To assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

The ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the President may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic devices.

Know Your Rights Under the Sunshine Ordinance: Government's duty is to serve the public, reaching its decision in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact Administrator, by mail to Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102.4689; by phone at 554.7724; by fax at 554.7854; or by email at soft@sfgov.org.

Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at http://www.sfgov.org.

311 Free Language Assistance: Free Language Assistance / Ayuda gratuita con el idioma / Бесплатная помощь переводчиков /.Try giúp Thông dịch Mien phi / Assistance linguistique gratuite / 無料の言語支援 / 무료 언어 지원 / คำอัธยาศัย แปลโดยไม่收费 / Ayuda gratuita con el idioma / Libreng tulong para sa wikang Tagalog / แปลโดยไม่收费

Lobbyist Registration and Reporting Requirements: Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Campaign & Governmental Conduct Code §2.100] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the San Francisco Ethics Commission at 25 Van Ness Avenue, Suite 220, San Francisco, CA 94102; telephone (415) 252-3100; fax (415) 252-3112; web site at www.sfgov.org/ethics.

CEQA Appeal Rights under Chapter 31 of the San Francisco Administrative Code: If the Commission's action on a project constitutes the Approval Action for that project (as defined in S.F. Administrative Code Chapter 31, as amended, Board of Supervisors Ordinance Number 161-13), then the CEQA determination prepared in support of that Approval Action is thereafter subject to appeal within the time frame specified in S.F. Administrative Code Section 31.16. Typically, an appeal must be filed within 30 calendar days of the Approval Action for a project that has received an exemption or negative declaration pursuant to CEQA. For information on filing an appeal under Chapter 31, contact the Clerk of the Board of Supervisors at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102, or call (415) 554-5184. If the Planning Department's Environmental Review Officer has deemed a project to be exempt from further environmental review, an exemption determination has been prepared and can be obtained on-line at http://www.sf-planning.org/index.aspx?page=3447. Under CEQA, in a later court challenge, a litigant may be limited to raising only those issues previously raised at a hearing on the project or in written correspondence delivered to the Board of Supervisors, Planning Commission, Planning Department or San Francisco Public Utilities Commission at, or prior to, such hearing, or as part of the appeal hearing process on the CEQA decision.
ORDER OF BUSINESS

1. Call to Order

2. Roll Call

3. Approval of the Minutes of August 9, 2016

4. General Public Comments
   Members of the public may address the Commission on matters that are within the Commission’s jurisdiction and are not on today’s agenda.

5. Communications
   a) Advance Calendar
   b) Contract Advertisement Report
   c) Letter Summary
   d) Annual Water System Improvement Program (WSIP) Report
   e) Drought Update
   f) Sewer Inspection and Replacement Update

6. Other Commission Business

7. Citizens’ Advisory Committee Report
   (Aragon)

   a) CleanPowerSF Update
   (Hale)
   b) Hetchy Hetchy Water and Power Capital Improvement Program Quarterly Report
   (How)
   c) Wastewater Enterprise Quarterly Report / Sewer System Improvement Program (SSIP) Quarterly Update
   (How)
   d) Lessons Learned WSIP to SSIP
   (How)
   e) Review of Sewer Lateral Policy
   (Moala)
   f) Quarterly Audit and Performance Review Report
   i. Post Audit, Financial Transactions, FY 2015-16
   ii. Citywide Contractual Compliance Audit Program, Goods and Services
   iii. State Coastal Conservancy Grant Administration, Skyline Ridge Trail and Department of Water Resources Grant Administration, Stormwater and Flood Management
   g) Annual Capital Financing Plan
   (Sandler)

The following matters before the San Francisco Public Utilities Commission are recommended for action as stated by the General Manager and City Attorney where applicable. Explanatory documents provided to the Commission in connection with this agenda are available for public inspection and copying at the Office of the Commission Secretary, 525 Golden Gate Avenue, 13th Floor, San Francisco, CA 94102, Telephone: (415) 554-3165; Fax: (415) 554-3424.
CONSENT CALENDAR

9. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the San Francisco Public Utilities Commission, and will be acted upon by a single vote of the Commission. There will be no separate discussion of these items unless a member of the Commission or the public so requests, in which event the matter will be removed from the Calendar and considered as a separate item.

   a) **Approve** an increase in the existing construction contract cost contingency in the amount of $428,650, for **Contract No. HH-981**, Mountain Tunnel Access & Adit Improvement; and **authorize** the General Manager or his designee to approve **future modifications** to the contract for a total revised contract amount of up to $5,143,800, if appropriate. The potential increase in the contract cost contingency is due to the unanticipated condition of the mountain roads.

   b) **Award** **Job Order Contract No. 63**, General Building (B-License) for San Francisco, San Mateo, Santa Clara and Alameda Counties, **for a not-to-exceed amount of $5,000,000** to the lowest, qualified, responsible, and responsive bidder, Angotti & Reilly, Inc., to perform general building construction tasks, for all San Francisco Public Utilities Commission enterprise operations and bureaus.

   c) **Award** **Job Order Contract No. 64**, General Building (B-License) for San Francisco, San Mateo, Santa Clara and Alameda Counties, **for a not-to-exceed amount of $5,000,000** to the lowest, qualified, responsible, and responsive bidder, Rubecon Builders, Inc., to perform general building construction tasks for all San Francisco Public Utilities Commission enterprise operations and bureaus.

   d) **Approve** the selection of Bottom Line Utility Solutions; **Award** **Agreement No. PRO.0049**, High Efficiency Toilet Direct Install Program, to provide program coordination and of replacement of inefficient toilets, urinals and other plumbing devices with high-efficiency models for residential, commercial and institutional customers in the SFPUC’s retail service area; **Authorize** the General Manager to negotiate and execute a **professional services agreement** with Bottom Line Utility Solutions for **an amount not-to-exceed $4,000,000, and with a duration of four years**. (Ritchie)

   e) **Accept** work performed by M Squared Construction, Inc., for **Contract No. WD-2506**, 8-Inch Ductile Iron Pipe Main Installation on Clement Street from Arguello Boulevard to 14th Avenue; Arguello Boulevard from Lake Street to Geary Boulevard; **Approve Modification No. 2** (Final), **decreasing the contract amount by $401,506** for a total contract amount of $2,721,409, with a total contract duration of 405 consecutive calendar days (approximately one year and one month); and **authorize** final payment to the contractor.

   f) **Accept** work performed by Precision Engineering, Inc., for **Contract No.**
WW-583, As-Needed Main Sewer Replacement; Approve Modification No. 1 (Final), decreasing the not-to-exceed contract amount by $876,724, for a total contract amount of $2,657,376, with a time extension of 183 consecutive calendar days (approximately seven months), for a total contract duration of 578 consecutive calendar days (approximately one year and seven months); and authorize final payment to the contractor. (How)

g) Accept work performed by Shaw Pipeline, Inc., for Contract No. WW-595, 3rd/7th/8th/25th/33rd/42nd Avenues and Baker/Welsh Streets Sewer Replacement; Approve Modification No. 3 (Final), increasing the contract by $355,598, for a total contract amount of $4,118,202, with a time extension of 54 consecutive calendar days (approximately two months), for a total contract duration of 418 consecutive calendar days (approximately one year and two months); and authorize final payment to the contractor. (How)

h) Approve the plans and specifications and award Contract No. WW-621R, As-Needed Main Sewer Replacement No. 6, for a total contract amount not-to-exceed $10,787,800, to the lowest, qualified, responsible and responsive bidder, Precision Engineering, Inc., to perform as-needed main sewer replacement (manhole to manhole segments) on short notice at locations to be determined in San Francisco. The proposed action is the Approval Action as defined in Chapter 31 of the San Francisco Administrative Code. (How)

i) Authorize the General Manager to adopt and make permanent rules and regulations to implement Article 12A of the San Francisco Health Code by adding new Section G, Cross-Connection Control, to the SFPUC’s Rules and Regulations Governing Water Service to Customers. (Ritchie)

REGULAR SESSION

Special Order – 3:00 PM

10. Public Hearing - 2016 Public Health Goal Report: Present the 2016 Public Health Goal Report for the San Francisco Water System; and direct the Water Quality Division Director to submit a letter to the State Water Resources Control Board documenting that such a hearing has been held. (Ritchie)

11. Workshop: Discussion regarding the integration of GoSolarSF with CleanPowerSF. (Hale)

12. Adopt the Updated Debt Management Policies and Procedures of the San Francisco Public Utilities Commission. (Sandler)

13. Approve one or more Credit Agreements with MUFG Union Bank, N.A., to replace cash-funded Water Enterprise Revenue Bond Debt Service Reserve funds, with a total commitment amount of up to $87,473,621; Approve the form and authorize the execution and delivery of related documents; and
authorize the General Manager to execute and deliver the Credit Agreement(s) and all related documents associated with this transaction. (Sandler)

14. **Authorize the issuance of up to $1.1 billion of 2016 Series AB Water Revenue Bonds** to refund all or a portion of the 2006 Series B, 2006 Series C, 2009 Series A, 2009 Series B, 2010 Series A and 2010 Series F Water Revenue Bonds to achieve debt service savings; and **authorize** the issuance of up to $295 million of 2016 Series C New Money Taxable Water Revenue Bonds. The Commission resolution will approve the issuance of the 2016 Series AB Refunding Bonds and the 2016 Series C Taxable Bonds, and approve the form of, and authorize the execution and delivery of, related documents; **Authorize** the General Manager to sell the Bonds in one or more series of bonds on either a competitive or negotiated basis, as the General Manager determines is in the best financial interest of the San Francisco Public Utilities Commission; **Delegate** to the General Manager authorization to award each series of bonds to the highest bidder (lowest cost); and **authorize** the General Manager to submit a resolution to the Board of Supervisors authorizing the issuance of the 2016 Series C New Money Bonds. (Sandler)

15. **Approve Amendment No. 1 to Agreement No. CS-294.D**, Initial/Ongoing North American Electric Reliability Corporation Regulatory Training, with System Operations Success International LLC, to provide continued regulatory training; and **authorize** the General Manager to execute this amendment **increasing the agreement amount by $25,000, and the agreement duration by two years**, for a total not to exceed agreement amount of $221,000 and a total agreement duration of five years. (Ritchie)

16. **Approve Amendment No. 1 to Agreement No. CS-329**, Helicopter Services, with A&P Helicopters, Inc., to provide continued use of helicopter services for aerial inspection of transmission towers and transmission lines, transportation for emergency repairs to infrastructure inaccessible by ground, and rapid transportation in case of unforeseen disasters; and **authorize** the General Manager to execute this amendment, **extending the contract duration by five years**, for a total agreement duration of eight years, with no change to the agreement value. (Ritchie)

17. **Authorize** the General Manager to negotiate and enter into a contract for an amount not to exceed $10,585,800, with the sole qualified, responsible, and responsive bidder, Ranger Pipelines, Inc., as permitted under San Francisco Administrative Code Section 6.23(c)(2); and, upon successful negotiations, **approve** the plans and specifications and **award** Contract No. WW-638, Griffith Yard Improvements, **for an amount not to exceed $10,585,800**, to construct improvements at Griffith Yard for the relocation of the Sewer Operations Division to this facility. The proposed action is the Approval Action as defined in Chapter 31 of the San Francisco Administrative Code. (How)

18. **Authorize the General Manager to accept and expend**: (1) a grant
awarded by the Water Research Foundation for an amount of $100,000; (2) a grant awarded by the Water Environment & Reuse Foundation for an amount of $100,000; and (3) a grant from the U.S. Bureau of Reclamation for an amount of $200,000; and to negotiate and execute a sole source contract with Carollo Engineers for up to $600,000 to work with the SFPUC to carry out the pilot purified water project. Authorize the General Manager to recommend to the Board of Supervisors that it approve the acceptance and expenditure of such grants. (Ritchie)

19. **Authorize** the General Manager to request approval from the Board of Supervisors to accept and expend **Hazard Mitigation Grant** funds from the **Federal Emergency Management Agency** for an amount not-to-exceed $404,208 for Pre-award and Phase One activities of the Early Intake Switchyard Slope Stabilization Project. (How)

20. **Authorize** the General Manager to execute, on behalf of the City and County of San Francisco, an **interconnection cost responsibility agreement** with the San Francisco Unified School District; and a **Third Party Non-Exporting Customer Generation Agreement** with Pacific Gas and Electric Company, pending approval by the San Francisco Board of Supervisors, to connect and operate the new solar photovoltaic system at the Willie Brown Jr. Middle School in San Francisco, California. (Hale)

21. **Authorize** the General Manager to negotiate and execute a **reimbursement agreement with Mission Bay Development Group** for installation of SFPUC electric conduits and vaults in: Illinois Street from approximately Mariposa to 16th Street; 16th Street from Illinois to Terry Francois Boulevard; and Terry Francois Boulevard from 16th Street to South Street. (Hale)

22. **Approve** the terms and conditions and **authorize** the General Manager to seek approval by the Board of Supervisors and Mayor to execute a **25-year amended and restated lease**, with an option to extend the term for a period of 25 years, **to the Pomeroy Recreation and Rehabilitation Center** to use a portion of SFPUC Parcel No. 55, located near Lake Merced at 207 Skyline Boulevard in San Francisco, California, to operate a recreational and rehabilitation center for persons with disabilities and for related services and programs, for no base rent. (Carlin)

23. **Authorize** the General Manager to execute a **First Amendment to a Memorandum of Understanding dated February 13, 2007, with the San Francisco Municipal Transportation Authority**, regarding property owned by the City and County of San Francisco near the intersection of Phelan Avenue and Ocean Avenue (Lot 1, Block 3180), in San Francisco. (Carlin)

24. **Approve** the terms and conditions and **authorize** the General Manager to execute a **purchase and sale agreement** and related documents to purchase the Property located at 657-1663 Rollins Road, Burlingame, California, from Clemco for $9.1 million, plus closing costs; **Approve** the terms and conditions of an assignment of a lease between Clemco and IMEDD for a one-year term
for a portion of the Property; and authorize the General Manager to seek approval from the Board of Supervisors and Mayor for a supplemental appropriation in the amount of $9.1 million, plus closing costs, for the purchase of the Property. (Carlin)

25. Approve the terms and conditions and authorize the General Manager to execute an Exchange Agreement, and any related documents, by and between the United States Forest Service and the City and County of San Francisco, through the San Francisco Public Utilities Commission, for the acquisition of approximately 25.2 acres of Forest Service land near Camp Mather in Tuolumne County, for $115,000. (Carlin)

26. Public Comments on matters to be discussed in Closed Session.

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

CLOSED SESSION

The Commission will go into Closed Session to discuss the following items:

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) (Ambrose)

Existing Litigation
Theodore Bowie, II v. City and County of San Francisco, et al.
Superior Court Case No.: CGC-14-542235
City Attorney File Number: 150479/Date Filed: October 17, 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) (Ambrose)

Existing Litigation
State Farm Insurance Company v. City and County of San Francisco, et al.
Superior Court Case No.: CGC-14-536896
City Attorney File Number: 140869/Date Filed: January 21, 2014

and

Existing Litigation
Christopher Pollino, et al., v. City and County of San Francisco, et al.
Superior Court Case No.: CGC-14-542240
City Attorney File Number: 150425/Date Filed: January 21, 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) (Mueller)
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 6/30/15.
Case No.: ER15-702-000/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) (Mueller)

Existing Litigation:
*Pacific Gas & Electric*

Tariff Withdrawal per 35.15: Notice of Termination of The CCSF Facilities Charge Agreement for Moscone to be effective 6/30/15.
Case No.: ER15-703-000/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) (Mueller)

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 7/1/15
Case No.: ER15-705-000/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) (Mueller)

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 7/1/15
Case No.: ER15-704-000/Date Filed: December 23, 2014

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

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
35. Threat to Public Services or Facilities – Pursuant to California Government Code Section 54957 and San Francisco Administrative Code Section 67.10 (a) (Carroll)

Following Closed Session, the Commission will reconvene in Open Session

36. Announcement following Closed Session

37. Motion regarding whether to disclose the discussions during Closed Session

38. Other New Business

39. Adjournment