



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, December 11, 2018

1:30 P.M.

(Approved January 22, 2019)

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

Commissioners

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

Harlan L. Kelly, Jr.

General Manager

Donna Hood

Secretary



For information, contact the Commission Secretary at 415-554-3165
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
President Courtney called the meeting to order at 1:30 PM.

2. Roll Call
Present: Courtney, Caen, Vietor, Moran and Kwon

3. Approval of the Minutes of November 13, 2018
*On Motion to approve the Minutes of November 13, 2018:
Aye: Courtney, Caen, Vietor, Moran and Kwon*

No public comment.

4. General Public Comment

- *Peter Drekmeier, Tuolumne River Trust, discussed the Adaptive Management Plan for O'Shaughnessy Dam and a 1992 study conducted by the U.S. Department of Fish and Wildlife. He noted obligations outlined in the study and indicated action needs to be taken.*
- *Francisco DaCosta discussed the distribution of community benefits in the Bayview. He expressed frustration with the use of fresh water for construction and flushing toilets.*

5. Communications

- a) Advance Calendar
- b) Correspondence Log
- c) Contract Advertisement Report
- d) Annual Real Estate Update
- e) Annual Report on Net Energy Metering and Shared Renewable Energy
- f) Annual Water Resources Division Report
- g) Annual Water Supply Development Report
Commissioner Moran stated the report was done without specific reference to increased fishery obligations that the SFPUC will be taking on. He asked that the next report reflect both the State Board and voluntary proposals.
- h) Declaration of Emergency: Repair Oceanside Treatment Plant Ventilation Ducts
- i) Risk Management Annual Report
- j) Water Conservation Services for Non-Residential Sector
- k) Water Supply Conditions Update

No public comment.

6. Other Commission Business
President Courtney requested, as routine, information be provided regarding activities related to workforce development (legislation, training, Bayworks, etc.) to ensure transparency. He requested that the General Manager notify him and any other interested Commissioner of any meetings taking place in connection with workforce development and Bayworks and of any decisions being made.

General Manager (GM) Kelly, Jr. noted that the SFPUC does not run Bayworks, but that information as per the President's request will be provided. President

Courtney stated he wants to make sure that the Commission isn't "blind-sided" by conversations that are taking place.

President Courtney requested that the Commission Secretary be notified of any meetings regarding workforce, so she can calendar for the President.

No public comment.

7. Report of the General Manager (GM)

a) San Francisco Department of Human Resources (DHR) Presentation: ApprenticeshipSF

Margo Reed, DHR ApprenticeshipSF Project Manager, provided the Commission with an update regarding the ApprenticeshipSF Project: (1) Introduction: Employment opportunity, workforce planning for stable pipeline of skilled workers; (2) Effective Apprenticeship Programs: State Division of Apprenticeship Standards approval, and enforceable City agreements; (3) Requirements; (4) Centralized Program: Charter requirements; one employer; and labor negotiations; (5) DHR Project Manager: liaison with DAS; and coordination with DHR and SFPUC; (6) Apprenticeship Programs: those that are existing and are in-development.

President Courtney thanked Ms. Reed for her presentation and noted that it is important to remember the "institutional knowledge cliff" and that workforce development needs to be centralized and localized.

Public Comment

- Francisco DaCosta discussed his model for the contracting center, his institutional experience and knowledge, and he referenced SFPUC employee departures. He discussed the need for coordination between the SFPUC and DHR. He requested a presentation on the digesters.

b) San Francisco Public Utilities Commission Engagement Survey Results

Justine Hinderlitner, Interim Director, Human Resource Services, reviewed results from the recent SFPUC Engagement Survey. She reviewed how engagement is measured (outcomes and drivers) and discussed the following: (1) Results overview: 63% response rate with a 60% average favorable rating; (2) Engagement profile: SFPUC and benchmarked (SFPUC, public sector, public utilities, and all utilities); (3) Results highlight: Top three areas and those areas that need improvement.

President Courtney departed the room at 2:00 PM.

Ms. Hinderlitner continued: (4) Areas of focus: Communication, recognition, and SFPUC actions; (5) Number of commitments over time (engagement and completed); (6) Commitments; (7) Social Recognition Platform; and (7) Next steps.

Ms. Hinderlitner responded to a question from Commissioner Kwon as to whether results are being tied to individual performance management.

President Courtney returned to the meeting at 2:09 PM.

Ms. Hinderlitner responded to a question from Commissioner Moran as to how employees will be recognized (immediate recognition/job promotion) and if employees felt those recognitions are made on a fair basis and determined on level of contribution. Brief discussion ensued.

Public Comment

- *Peter Alexander stated the public has been disregarded. He discussed the abuse of PG&E workers, smart meters, and PG&E workers unions.*

Commissioner Moran noted the SFUPC has no jurisdiction over PG&E.

- *Francisco DaCosta provided comment on the survey results and the need to think outside of the box. He expressed frustration with the use of fresh water for construction and flushing toilets.*

c) Bay Delta Water Quality Control Plan Update

Steve Ritchie, Assistant General Manager (AGM) Water, provided the update: (1) Latest developments; (2) New actions for the SFPUC (water supplies to develop now); (3) Potential Project timeline; and (4) Conclusions

Commissioner Vietor read the following statement:

“The Vote is scheduled tomorrow by the State Board on Phase 1 of the Bay Delta Plan. As far as this Commission knows, the State and SFPUC have not yet agreed on a flow regime for the fish though appreciate that the agencies have been working hard these past months to find agreement.

We have not yet seen a voluntary Settlement Agreement (VSA), which we had hoped would be concluded and agreed upon before tomorrow’s vote but are unfortunately unable to do so. In the absence of a VSA, final order or possible litigation, it is important that we as the SFPUC do the right thing for the fish, while ensuring we can maintain water reliability for our customers.

I understand that East Bay MUD has seen remarkable results on the Mokelumne River with close to 20,000 salmon returning last year, the highest numbers since 1940, because of their successful flow regime. I also understand the SFPUC believes that their flow regime will provide the better outcomes for the fish than the 40% regime that the state is proposing. So regardless of what action is taken, we should begin to implement our regime, to indeed show that it will work with all due haste and for the sake of the fish.

I want to hear from staff how and when we can begin work on the river, as quickly as possible and would like a resolution prepared for us to consider at January’s meeting regarding implementation plans that commit to:

1. *Implementation of PUC’s regime plan as soon as possible and bring to this Commission the start date, timeline, and next steps no later than*

February 2019. I understand that we need to engage the irrigation districts but assuming that will be okay because they were part of the development of the regime model.

- 2. Need to understand the specific outcomes for the fish along with a plan for adaptive management course correction in the event fish numbers continue to plummet during implementation or anticipated benefits are not realized, including monitoring results, numbers and progress at regular intervals, and no less than twice a year.*
- 3. Need to accelerate and implement the diversification of our water supply as quickly as possible, with a specific plan with timeline, costs, possible sources of payment. Should include but not be limited to: interruptible customers, pros and cons of raising of dams or accessing additional storage, recycled water, direct potable reuse, etc.*
- 4. Better understand the plan and receive something via resolution on how to best engage and help all stakeholders understand the PUC's proposed regime/VSA before adoption of either. Conduct peer review of plan in first quarter of year through Delta Science process or other neutral party. Develop communications plan for broader public to understand the ultimate flow regime”.*

Commissioner Moran expressed appreciation for Commissioner Vietor's comments. He emphasized three items: early implementation, commitment to outcomes, and whatever level of fishery obligation is assumed will mandate development of “net water” (conservation and water development/reclamation) and stated that space is needed between yield and demand for appropriate response.

Public Comment

- Norma Wallace expressed support for the Bay Delta Plan. She discussed her family background and values of saving, not wasting, and the importance of water.*
- Gloria Purcell, Tuolumne River Trust, asked that the Commission pay attention to the needs of the earth and not just people.*
- Gail Sredanovic expressed support for the Bay Delta Plan.*
- Dave Warner discussed his letter to the Commission regarding Mr. Michael Carlin's testimony before the Board of Supervisors Land Use Committee and the SFPUC response to his letter. He expressed support for the comments of Commissioners Vietor and Moran.*
- Cindy Charles, Golden West Women Flyfishers, discussed her experiences witnessing spawning salmon. She discussed the SFPUC's position and its effect on salmon and encouraged the Commission to do the right thing.*
- Ben Eichenberg, San Francisco Baykeeper, expressed support for the Bay Delta Plan and discussed impacts of failure to do so.*
- Barry Nelson, Golden Gate Salmon Association, discussed the State Board Standards. He discussed letter the NGO's sent to the Governor and distributed a copy of that letter to the Commission. He presented five issues to keep in mind.*

- *Noah Oppeheim, Pacific Coast Flyfishermans' Association, discussed the Bay Delta Plan and the public process. He encouraged the Commission avoid a recommendation of delay. He discussed adaptive management and the voluntary settlement agreement.*
- *Sonia Diermayer, Sierra Club, echoed the sentiments of previous speakers. She expressed support for the comments of Commissioners Vietor and Moran. She encouraged the Commission to support the Bay Delta Plan and to not file a lawsuit.*
- *Chris Gilbert, Sierra Club, asked that the Commission not support delays nor file lawsuit. He posed several questions for the Commission to consider. He distributed a paper of Strategy and Priority Initiatives.*
- *Elizabeth Dougherty, Wholly H2O, encouraged the Commission to consider the entire watershed ecosystem, and not just water. She encouraged the Commission to accept the State Board proposal.*
- *Regina Chichizola, Save California Salmon, requested that the Commission support the Bay Delta Plan, save the salmon, and support water supply throughout the state.*
- *Malcom asked the Commission to save the salmon.*
- *Morning Star Gali stated the City is choosing a path of destruction for water and fish. She discussed effect the reduction of the fish population and the resulting health effects on her culture. She asked that the Commission support the Bay Delta Plan.*
- *Peter Alexander provided thoughts on a variety of topics.*
- *John McManus, Golden Gate Salmon Association, asked that the SFPUC not be party of any lawsuits if the Bay Delta Plan is adopted. He discussed scientific findings and the need for additional flow.*
- *Peter Drekmeier, Tuolumne River Trust, thanked Commissioners Vietor and Moran for their comments. He discussed past collaborative efforts. He commended Steve Ritchie's desire to bring groups together to think about how to develop and prioritization of water. He discussed the Dos Rios purchase and a petition to dedicate water rights. He asked the PUC to support the Bay Delta Plan, avoid delays, and not file lawsuit.*
- *Orion Comero displayed his art of a watershed. He discussed meeting accessibility. He stated the Commission needs to lead the way in global innovation. He discussed the SFPUC Environmental Justice Policy and impacts of decisions made.*

President Courtney asked Mr. Comero for clarification for his comments regarding meeting accessibility.

- *Francisco DaCosta inquired who speaks for the salmon. He discussed adverse impacts on salmon and their need for clean water.*
- *Jackie Faun asked for continued water flow for the fish and future generations. She discussed the importance of salmon to her culture.*
- *Mahlifa Florendo expressed support for the Bay Delta Plan. She discussed her experience living on a river and the reduction of the salmon population. She discussed the high suicide rates in her area she indicated are due to salmon genocide.*

- Lawrence Damos spoke to the need for a healthy Delta. He stated the Bay Delta Plan has a good solution to maintain a healthy ecosystem.

Commissioner Moran thanked the speakers. He expressed frustration with not having text of the voluntary settlement agreement. He reiterated the three points made prior to public comment. He discussed his lengthy history dealing with water issues and resulting outcomes. He expressed hope for a solution to produce water in a timely basis and expressed support for early implementation and outcomes.

Commissioner Vietor thanked the speakers for their attendance and comments. She concurred with Commissioner Moran's three main points, and added a fourth of stakeholder engagement, peer review, and agreement implications.

President Courtney thanked the public for their comments. He concurred with the comments of Commissioners Vietor and Moran.

- d) Hetch Hetchy Capital Improvement Program (CIP) Quarterly Report
Dan Wade, Director, Water Capital Projects and Programs, provided the update: (1) Highlights of reporting period; (2) Warnerville Substation rehabilitation; (3) March 2018 Storm Event emergency repairs and interim upgrades; (4) Differing site conditions: scour hole at toe of diversion dam; (5) New catwalk to intake tower; (6) New box culvert in road embankment near Priest Dam; and (7) Moccasin Dam Reservoir next steps.

No public comment.

- e) Wastewater Enterprise (WWE) CIP Quarterly Report
Howard Fung, Senior Project Manager/acting Program Director, provided the report and reviewed projects that exceed baseline budget thresholds.

No public comment

- f) Water Enterprise CIP Quarterly Report
Dan Wade provided the update: (1) Highlights of reporting period; (2) Sunol long-term improvements; (3) San Francisco Westside Recycled Water; (4) Watershed and Environmental Program – Sunol Nursery; (5) Sunol Nursery volunteers; and (6) Local water projects – Van Ness Improvement Project.

No public comment.

- g) Report on Recent SFPUC Activities, Events and Announcements
None.

- 8. Sewer System Improvement Program Quarterly Update
Howard Fung presented the update: (1) Program Status (26.4% of Phase I Projects complete); (2) Biosolids Digester Facilities Project; (3) Southeast Plant (SEP) New Headworks Facility Project; (4) Current construction at SEP; (5)

Collection System and Stormwater Management; (6) Other program updates; (7) Oceanside Plant condition assessment improvements; (8) Large sewer condition assessment improvements; (9) Lower Alemany Area Stormwater Improvement Project;

Mr. Fung and GM Kelly, Jr. responded to a question from Commissioner Vietor regarding the possibility of a Green Infrastructure project in Lower Alemany.

Mr. Fung continued his update with a summary of project priorities.

Public Comment

- Spreck Rosekrans, Restore Hetch Hetchy, discussed his tour of a San Diego Pure Water San Diego demonstration plant that recycles wastewater and encouraged the SFPUC to investigate.

9. Bay Area Water Supply and Conservation Agency (BAWSCA) Update
Nicole Sandkulla, BAWSCA CEO, began her update with a review of the FY 2017-18 BAWSCA agency water supply sources. She indicated that during the past 10 years, total water use is down by 21%, San Francisco regional water supply purchases are down 24%, and recycled water use is up 29%. She provided supply examples from the City of Redwood City, Alameda County Water District, and the City of Santa Clara. She indicated BAWSCA's 2017-18 Annual Survey will be available in February.

Ms. Sandkulla responded to a question from Vice President (VP) Caen as whether the 10-year comparison included increased population.

Public Comment

- Spreck Rosekrans commended BAWSCA on their Annual Report and suggested that they make tables spreadsheet readable.

10. Consent Calendar:

- a) Approve Amendment No. 3 to Agreement No. CS-203.A, Wastewater and Stormwater Technical Services, with CH2M Hill and Avila Associates, Joint Venture, extending the duration by 10 months for a total agreement duration of seven years, with no change to the contract amount, to continue to provide as-needed specialized and technical services and complete existing projects for the Wastewater Enterprise; and authorize the General Manager to execute this amendment. ([Resolution 18-0192](#))
- b) Approve Amendment No. 4 to Agreement No. CS-203.B, Wastewater and Stormwater Technical Services, with Brown & Caldwell - SRT, Joint Venture, extending the duration by 10 months for a total agreement duration of seven years, with no change to the contract amount, to continue to provide as-needed specialized and technical services and complete existing projects for the Wastewater Enterprise; and authorize the General Manager of the to execute this amendment. ([Resolution 18-0193](#))

- c) Approve Amendment No. 3 to Agreement No. CS-203.D, Wastewater and Stormwater Technical Services, with Kennedy/Jenks Consultants-WRE, Joint Venture, extending the duration by 10 months for a total agreement duration of seven years, with no change to the contract amount, to continue to provide as-needed specialized and technical services and complete existing projects for the Wastewater Enterprise; and authorize the General Manager to execute this amendment. ([Resolution 18-0194](#))
- d) Accept work performed by Robert E. Boyer Construction, Inc., for Contract No. HH-982, Moccasin Facilities Upgrade – Moccasin Shops/Office Building and Materials Bins; approve Modification No. 15 (Final) increasing the contract amount by \$2,185 and extending the contract duration by 99 consecutive calendar days, for a total final contract amount of \$9,722,344 and a total contract duration of 686 consecutive calendar days; and authorize final payment to the contractor. ([Resolution 18-0195](#))
- e) Accept work performed by Anvil Builders, Inc., for Contract No. HH-983, Cherry Dam Outlet Works Rehabilitation; approve Modification No. 7 (Final), increasing the contract amount by \$236,366 and increasing the contract duration by 91 days, for a total contract amount of \$6,929,777 and total contract duration of 757 consecutive calendar days; and authorize final payment to the contractor. ([Resolution 18-0196](#))
- f) Approve Modification No. 1 to Job Order Contract, JOC-56, Micro-LBE, HVAC Energy Efficiency (C-20 License), for San Francisco, San Mateo, Alameda Counties with G.Y. Engineering Company, Inc., extending the term by three years for a total contract duration of five years, with no new task orders issued after four years from the Contract certification date as allowed under the San Francisco Administrative Code Chapter 6.62, and with no change in contract amount. ([Resolution 18-0197](#))
- g) Approve the selection of AECOM/Lotus, Joint Venture (JV) (AECOM), Brown and Caldwell/SRT, JV (Brown and Caldwell), Hazen and Sawyer/Avila and Assoc., JV (Hazen and Sawyer), and Woodard & Curran, Inc./Hydroconsult Engineers, Inc., JV (Woodard & Curran); and award Agreement Nos. PRO.0054.A-D, As-Needed Wastewater and Stormwater Services, to provide as-needed wastewater and stormwater services; and authorize the General Manager to negotiate and execute four professional services agreements with AECOM (PRO.0054.A), Brown and Caldwell (PRO.0054.B), Hazen and Sawyer (PRO.0054.C) and Woodard & Curran (PRO.0054.D), each for an amount not-to-exceed \$5,000,000, and each with a duration of five years. ([Resolution 18-0198](#))
- h) Award Agreements Nos. PRO.0097.A-C, Hetchy Capital Improvement Projects (HCIP) As-Needed Construction Management Services; approve the selection of AECOM-EMS Joint Venture (JV) (PRO.0097.A), Mott MacDonald/Dabri, Inc. JV (PRO.0097.B), and Avila and Associates Consulting Engineers, Inc. (PRO.0097.C), to provide construction management services to support HCIP on an as-needed basis; and authorize the General Manager to negotiate and execute three professional

services agreements (PRO.0097.A, PRO.0097.B, PRO.0097C), each for an amount not-to-exceed \$4,000,000 and each with a duration of five years. ([Resolution 18-0199](#))

- i) Approve the selection of Enterprise Solutions Consulting LLC; award Agreement No. PRO.0113, San Francisco Public Utilities Commission Hetch Hetchy Power Electric Billing System Replacement Project, for the procurement and implementation of a fully hosted and managed electric billing system for the SFPUC Power Enterprise; and authorize the General Manager to negotiate and execute a professional services agreement with Enterprise Solutions Consulting for a total amount not-to-exceed \$4,374,527 and a contract duration of up to seven years. ([Resolution 18-0200](#))
- j) Approve an increase in the amount of \$112,250 to the construction contract cost contingency, and an increase of 131 consecutive calendar days to the duration contingency for Contract No. WD-2850(I), Crystal Springs/San Andreas Pipeline Erosion Repair at OW-13 and OW-18; and authorize the General Manager to approve future modifications to the contract for a total revised contract amount of up to \$527,500 and a total revised contract duration of up to 230 consecutive calendar days. ([Resolution 18-0201](#))
- k) Approve an increase in the amount of \$500,000 to the construction contract cost contingency, and an increase of 220 consecutive calendar days to the contract duration contingency for Contract No. WW-613, Southeast Water Pollution Control Plant Building 521/522 and Disinfection Upgrades; and authorize the General Manager to approve future modifications to the contract for a total revised contract amount of up to \$30,122,166, and a total revised contract duration of up to 1,309 consecutive calendar days. ([Resolution 18-0202](#))
- l) Accept work performed by Ranger Pipelines, Inc., for Contract No. WW-638, Griffith Yard Improvements; approve Modification No. 4 (Final), increasing the contract amount by \$891,167 for a total contract amount of \$14,123,417, and extending the contract duration by 184 consecutive calendar days, for a total contract duration of 789 consecutive calendar days; and authorize final payment to the contractor. ([Resolution 18-0203](#))
- m) Accept work performed by Precision Engineering, Inc., for Contract No. WW-650, Foerster Street Auxiliary and Mangers/Hearst/Detroit Sewer Replacement; approve Modification No. 2 (Final), decreasing the contract amount by \$274,716, and extending the contract duration by 315 consecutive calendar days, for a total contract amount of \$2,927,434 and a total contract duration of 495 consecutive calendar days ; and authorize final payment to the contractor. ([Resolution 18-0204](#))
- n) Approve the terms and conditions of, and retroactively ratify the General Manager's execution of, a Memorandum of Understanding with the San Francisco Police Department (SFPD) to allow for SFPD's continued use of the premises at 700 John Muir Drive in San Francisco as an existing firing

range, personnel and police dog training facility, and parking, with no use fee. ([Resolution 18-0205](#))

- o) Approve the terms and conditions and authorize the General Manager to execute a no-fee, five-year revocable license, to the Friends of the Urban Forest for use of approximately 2,500 square feet of Parcel One of Block 3088, Lot 018 in San Francisco, California for storage of up to 240, 15-gallon tree seedlings in movable container boxes. 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.

President Courtney requested that item 10o be removed from calendar.

*On Motion to approve Consent Calendar items 10a through 10n:
Aye: Courtney, Caen, Vietor, Moran and Kwon*

No public comment on items 10a through 10n.

Tony Bardo, SFPUC Real Estate Division, reviewed item 10o noting the space will be used for the storage of trees for the Friends of the Urban Forest. He outlined benefits the SFPUC.

President Courtney noted his concerns with the item and the subsidization of private organizations. He requested information on the number of employees, classifications, wage rates, health care arrangements, location, complaints files, etc., and asked that the item be rescheduled. Discussion ensued on the role of the Friends of the Urban Forest, their services, and potential service benefits.

*On Motion to continue item 10o:
Aye: Courtney, Caen, Vietor, Moran and Kwon*

No public comment.

11. Approve Amendment No. 3 to Agreement No. CS-200, Right-of-Way Services with Associated Right of Way Services, Inc.; and authorize the General Manager to negotiate and execute Amendment No. 3, to expand the scope of right-of-way services beyond Sewer System Improvement Program and Water System Improvement Program projects to include other San Francisco Public Utilities Commission projects and third-party uses of the SFPUC-owned right-of-way, with no change to the agreement amount or duration. ([Resolution 18-0206](#))

*On Motion to approve item 11:
Aye: Courtney, Caen, Vietor, Moran and Kwon*

No public comment.

12. Approve the plans and specifications, and award Contract No. HH-995, Hetch Hetchy & Cherry Lake Road Guardrail Improvement Project, in the amount of

\$1,887,735, with a duration of 394 consecutive calendar days, to the sole, qualified, responsible and responsive bidder, Sierra Mountain Construction, Inc., as permitted under San Francisco Administrative Code Section 6.23(c)(3), to install guardrails along Cherry Lake Road and Hetch Hetchy Road in Tuolumne County. 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 18-0207](#))

On Motion to approve item 12:

Aye: Courtney, Caen, Vietor, Moran and Kwon

No public comment.

13. Approve Modification No. 2 for Contract No. WW-628 SEP New Headworks Facility Project, a Construction Manager/General Contractor agreement, with Sundt-Walsh Joint Venture (JV), in the amount of \$36,017,960, for a total contract amount of \$292,180,184; approve an increase to the existing construction contract cost contingency in the amount of \$18,630,619, for a total cost contingency of \$43,086,841, and an increase to the existing contract duration contingency in the amount of 75 consecutive calendar days, for a total duration contingency of 278 consecutive calendar days; and authorize the General Manager to execute Modification No. 2 and to consider, and if appropriate, to approve, any future modifications to the contract amount for up to a total of \$335,267,025, and to the contract duration for up to a total of 2,936 consecutive calendar days. ([Resolution 18-0208](#))

GM Kelly, Jr. responded to a question from President Courtney as to whether a workforce or training facility exists with respect to the project.

Mr. Fung and GM Kelly, Jr. responded to a question from VP Caen regarding the original budget amount, modifications, and asked how the contingency amount was calculated.

Commissioner Moran departed the room at 4:34 PM and returned at 4:38 PM.

On Motion to approve item 13:

Aye: Courtney, Caen, Vietor, and Kwon

No public comment.

14. Public Hearing: Discussion and possible action to approve a revised schedule of rates and charges for the San Francisco Public Utilities Commission Power Enterprise CleanPowerSF (CPSF) program service in San Francisco to take effect on or after February 1, 2019 that would: (1) set CleanPowerSF generation rates at or below comparable PG&E generation rates expected to be in effect on January 1, 2019, and (2) apply a new volumetric credit (cents per kilowatt-hour) equal to the net increase to each customer class's PG&E Power Charge Indifference Adjustment expected to be in effect as of January 1, 2019; and authorize the General Manager to adjust the rates once PG&E's final rates are

published, as long as the rate adjustment ensures that program costs are recovered. This action constitutes the Approval Action for the purposes of CEQA, pursuant to Section 31.04(h) of the San Francisco Administrative Code. ([Resolution 18-0209](#))

Mike Hyams, CPSF Director, began the presentation: (1) Review of action requested; (2) Growth Plan Status: 30% of citywide accounts enrolled, and plan for completing citywide enrollment; (3) CPSF Phasing Policy; (4) Rate Setting Policies; (5) Upcoming PG&E Rate Changes; (6) PG&E PCIA: expected to increase for commercial customers on January 1, 2019; (7) PG&E Generation Rate: expected to decrease on January 1, 2019; and (8) Review of average residential, small commercial, and large commercial generation cost comparisons (before SFPUC rate action).

Charles Perl, Deputy CFO, continued with review of the rate proposal: (1) Proposed changes to CPSF FY 2018-19 rates: Green rates, credit to off-set PCIA increase, authorize GM to finalize rates, and no change to SuperGreen rate premiums; (2) Average residential, small commercial, and large commercial generation cost comparisons (after SFPUC rate action); (3) Financial impact of action (if approved); and (4) FYE 19 financial projection.

Mr. Hyams continued with a presentation of the following: (1) Risk Management Approach: Program risk areas (supply, customer service, operational, financial and regulatory); (2) Selected risks and mitigations: high opt-out, non-by-passable charges/PCIA and unfavorable PG&E rate, and challenges to local authority and new regulations increasing costs; and (3) Next steps and schedule.

Commissioner Vietor emphasized the importance of communication with customers.

Commissioner Kwon was excused from the meeting at 5:00 PM.

*On Motion to approve item 14:
Aye: Courtney, Caen, Vietor, and Moran*

No public comment.

15. Approve two renewable energy contracts for CleanPowerSF between the San Francisco Public Utilities Commission and Southern California Edison Company, with a combined term of two years and total costs of approximately \$27.5 million; and authorize the General Manager to seek approval from the Board of Supervisors for the 2019 contract. ([Resolution 18-0210](#))

*On Motion to approve item 15:
Aye: Courtney, Caen, Vietor, and Moran*

No public comment.

16. Authorize the General Manager to seek Commission approval and execute a Master License Agreement (MLA) with the San Francisco Unified School District (SFUSD). The MLA provides for Energy Efficiency Project Services at appropriate locations throughout SFUSD, in order to reduce energy usage and natural gas consumption as part of SFUSD's goal to eliminate greenhouse gas emissions by 2040, per SFUSD Resolution No. 176-27A1, In Support of Carbon Neutral Schools. This MLA sets forth the terms and conditions under which SFUSD will allow the SFPUC to use certain SFUSD Sites to provide Energy Efficiency Project Services. ([Resolution 18-0211](#))

On Motion to approve item 16:

Aye: Courtney, Caen, Vietor, and Moran

No public comment.

Commissioner Moran applauded the collaborative efforts on the Water Supply Agreement (WSA).

17. Authorize the General Manager to execute, on behalf of the City and County of San Francisco, amendments to the 2009 Water Supply Agreement with the San Francisco Public Utilities Commission's wholesale water customers; and approve new service area maps attached to the Individual Water Sales Contracts of the cities of San Jose and Santa Clara. ([Resolution 18-0212](#))

AGM Ritchie began his presentation with a review of the background of the 2009 WSA and continued with a review of the following: (1) 2018 Decisions; (2) Water System Improvement Program (WSIP) completion reference; (3) Tier One Shortage Allocation Plan; (4) Westside Basin Conjunctive Use Program; (5) Asset classification; (6) Wholesale Capital Fund; and (7) Capital Improvement Program.

Commissioner Vietor was excused from the meeting at 5:04 PM.

On Motion to approve item 17:

Aye: Courtney, Caen, and Moran

Public Comment

- *Nancy Wuerfel provided comments on section 3.11 of the WSA pertaining to the system-wide shortages and the SFPUC's response to regional emergencies. She indicated there are three conflicts of interest for the use of water in the Sunset Reservoir. She requested an agenda item to discussed who will get Sunset Reservoir water in the event of an emergency. She distributed a copy of the California Water Code.*
- *Nicole Sandkulla, BAWSCA, expressed support for the item, noted the collaborative process. She requested Commission approval.*

The Commission Secretary read items 18 and 19 together.

18. Discussion and possible action to approve the 2018 Proposed Baseline scope, schedule and budget for individual projects over \$5 million that are currently active or planned to be active within FY2018-2019 or FY 2019-2020, that are part of the Water Enterprise Capital Improvement Program (WECIP), a sub-set of projects within the adopted San Francisco Public Utilities Commission 10-Year Capital Plan for FY 2018-2019 through FY 2027-28 for the Water Enterprise. ([Resolution 18-0213](#))
19. Discussion and possible action to approve the 2018 Proposed Baseline scope, schedule and budget for individual projects over \$5 million that are currently active or intended to be active during FY2018-2019 or FY2019-2020 that are part of the Hetch Hetchy Capital Improvement Programs (HCIP), a sub-set of projects within the adopted San Francisco Public Utilities Commission 10-Year Capital Plan for FY 2018-2019 through FY 2027-28 for the Hetch Hetchy Water and Power Enterprise. ([Resolution 18-0214](#))

Motion to approve items 18:

Aye: Courtney, Caen, and Moran

Motion to approve items 19:

Aye: Courtney, Caen, and Moran

Public Comment on items 18 and 19

- *Nancy Wuerfel requested that the Commission not approve item 18, including the Westside Potable AWSS, which she indicates has no funding and relies on the passage of a General Obligation (G.O.) Bond in 2020. She discussed three counts as to why the project is wrong. She stated the project should be deleted from the WECIP. She distributed G.O. Bond information.*
- *Eileen Boken concurred with comments made by Ms. Wuerfel and expressed opposition with the Westside Sunset Pipeline Project and the resolution provision to allow the GM to proceed without coming back to the Commission.*
- *Thomas Doudiet, retired San Francisco Fire Department, concurred with comments made by Ms. Wuerfel that the WECIP baseline should not be approved unless the Westside Sunset Pipeline Project is removed. He discussed his concerns with the Project.*

Mr. Dan Wade responded to a question from Commissioner Moran regarding projects in the CIP and approval processes going forward.

20. Declare surplus public utility easements encumbering San Francisco Block 8709, Lots 018, 019, 021, and 022; approve the terms and conditions of, and authorize the General Manager to execute, four Easement Quitclaim Deeds transferring the San Francisco Public Utilities Commission's interests in the Easements to ARE-San Francisco No. 15, LLC, ARE-San Francisco No. 36, LLC, and Mission Bay Commercial Maintenance Corporation. ([Resolution 18-0215](#))

On Motion to approve item 20:

Aye: Courtney, Caen, and Moran

No public comment.

The Commission Secretary read the Closed Session item.

21. Public Comment on matters to be addressed during Closed Session
None.

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

*On Motion to assert attorney-client privilege.
Aye: Courtney, Caen, and Moran*

The Commission entered Closed Session at 5:20 PM.

23. 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 Plaintiff

The Commission exited Closed Session at 5:29 PM.

24. Announcement Following Closed Session
None.

25. Motion regarding whether to disclose the discussions during Closed Session pursuant to San Francisco Administrative Code Section 67.12 (a)

*On Motion not to disclose the discussions during Closed Session.
Aye: Courtney, Caen, and Moran*

26. Other New Business

President Courtney announced that the meetings of December 25 and January 8th are cancelled.

27. Adjournment

President Courtney adjourned the meeting at 5:32 PM.