

SAN FRANCISCO PUBLIC UTILITIES COMMISSION
City and County of San Francisco

London N. Breed
Mayor

MINUTES
Tuesday, December 8, 2020
1:30 P.M.
(Approved December 22, 2020)

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

Commissioners

Sophie Maxwell, President
Anson Moran, Vice President
Tim Paulson
Ed Harrington

Michael Carlin
Acting General Manager

Donna Hood
Secretary



1. Call to Order

President Maxwell called the meeting to order at 1:30 PM

2. Roll Call

Present: Maxwell, Moran, Paulson and Harrington

3. Motion to accept Harlan Kelly's resignation as the San Francisco Public Utilities Commission (SFPUC) General Manager effective close of business on November 30, 2020 and waive the 45-day advance notice requirement under Section 7 of Mr. Kelly's July 2017 Employment Agreement with the Commission

On Motion to accept Harlan Kelly's resignation as the SFPUC General Manager effective close of business on November 30, 2020 and waive the 45-day advance notice requirement under Section 7 of Mr. Kelly's July 2017 Employment Agreement.

Ayes: Maxwell, Moran, Paulson and Harrington

Public Comment

- *David Pilpel expressed sadness with the situation and indicated he hopes things turn out well for Mr. Kelly.*
- *Unknown caller stated that it can no longer be business as usual. She spoke to items not related to this item.*
- *Francisco DaCosta discussed the need to maintain high standards and that the Commission must represent what is good.*

4. Approval of the Minutes of November 10, 2020

On Motion to approve the Minutes of November 10, 2020:

Ayes: Maxwell, Moran, Paulson and Harrington

No public comment.

5. General Public Comment

- *David Pilpel stated that a national search for a General Manager is not needed and that Acting General Manager Carlin would do a fine job.*
- *Dave Warner, Palo Alto, asked that the new General Manager search include selection criteria that the candidate have demonstrated success between water agencies and environmental groups. He provided examples of situations where this did not happen under General Manager Kelly.*
- *Eileen Boken discussed the Auxiliary Water Supply System (AWSS) and expressed displeasure that the AWSS uses potable water which should not be used for firefighting.*
- *Peter Drekmeier, Tuolumne River Trust, indicated that at the end of the salmon season there have only been 841 salmon spawning compared to 130,000 in 1944. He addressed the New Don Pedro Reservoir flows and relicensing.*

- *Alita Dupree discussed the importance of CleanPowerSF which brings clean affordable electricity to San Francisco. She stated procurement of new renewable energy and storage need increase. She addressed battery storage.*
- *Francisco DaCosta discussed the special meeting and asked the Commission to include the First People and not ignore the advocates.*
- *John McMannis, President, Golden State Salmon Association, discussed the special meeting and indicated SFPUC staff had no retort to material provided that the Voluntary Agreement proposal relies on “junk science”. He indicated there is a chance for extension of salmon in the Tuolumne and that the SFPUC must break free from the Modesto and Tuolumne Irrigation Districts.*
- *Ali Altaha discussed the challenges that the SFPUC faces asked how the SFPUC will lessen the effects of what has taken place and state what will be done.*
- *Carol Steinfeld, Sierra Club, discussed the special meeting, issues related to water supply, and the lawsuit against the State’s Bay Delta Plan. She discussed BAWSCA’s comments regarding their challenges with reduced water use. She noted opportunities for better water management.*

6. Communications

- Advance Calendar
- Correspondence Log
- Alternative Water Supply Planning Quarterly Report
- Annual Water Resources Division Report
- Annual Water Supply Development Report
- Final FY 20-21 and FY 21-22 Budget Update
- CleanPowerSF Quarterly Report
- Water Supply Conditions Update
- Letter to Bay Area Water Supply and Conservation Agency Board

Public Comment

- *Jed Holtzman, 350 Bay Area, spoke to item 6g and asked that it be moved from “Communications” and back into the “General Manager Report” for discussion.*
- *David Pilpel spoke to item 6e and stated that future demand projections need to be revisited as the “post-virus” world becomes clear; and item 6f - asked when the SFPUC budget hearings will be set.*
- *Alita Dupree spoke to item 6g and expressed appreciation that the item is on the agenda. She discussed the new and upcoming projects.*
- *Peter Drekmeier spoke to item 6d and stated that Paula Kehoe does excellent work and that the Water Resources Annual Report is the most user friendly and comprehensive report produced by the SFPUC; and item 6c and expressed concern with the need for 98 MGD to meet demands. He discussed factors that may affect that number and addressed the water supply worksheet.*

7. Update on San Francisco Public Utilities Commission’s Racial Equity Plan (ORE) Required by the Office of Racial Equity

Masood Ordikhani, Chief Equity and Innovation Officer, indicated that the Office of Racial Equity Plan Phase I submittal deadline is December 31, 2020. He discussed Planning and Engagement Process, which included each SFPUC enterprise and

bureau. He indicated that voices of those that are generally excluded be given the opportunity for input through a variety of means including town halls, workshops, lunch-and-learns, and agency-wide discussions.

Justine Hinderlitner, SFPUC Chief People Officer, continued with a review of seven “pillars” in the ORE Plan: (1) Hiring and Recruitment, (strategic diversity recruitment programs, hiring diversity analysis, and interview toolkit update); (2) Mobility and Professional Development; (3) Retention and Promotion (transparent promotive pathways, professional “career lattice” development, and comprehensive internal communication on job opportunities); (4) Organizational Culture of Inclusion and Belonging (Racial Equity Resource Library); (5) Discipline and Separation (increased manager effectiveness and accountability, alternative dispute resolution process, and leadership development curriculum); (6) Diverse and Equitable Leadership.

Mr. Ordikhani continued with a discussion of (7) Boards and Commissions (track and report demographic data and Racial Equity Training to augment existing required Implicit Bias Training).

He indicated that each SFPUC enterprise and bureau will be reporting their ORE Plan to the Commission during 2021.

Commissioner Paulson thanked the presenters for an informative presentation. President Maxwell thanked the presenters and noted the importance of the issue.

Public Comment

- Francisco DaCosta discussed his interest in racial equity. He noted the number of employees who have left the SFPUC in the recent years.
- Ali Altaha indicated he was shocked to hear staff say that construction management staff learn through their job and said they are unexperienced. He stated qualified individuals are discriminated against.
- Denise Louie stated that Civil Rights Act, Title 6, prohibits racial discrimination and that the program for racial equity is race-based and should be stopped and that people should be hired on a color-blind basis or be subject to lawsuit.

Commissioner Harrington addressed the General Manager Report. He noted that the Commission is responsible for oversight and policy direction. He commended staff for their work and the information they provide. He questioned the necessity of a 600 to 700-page audit report with no indication of what needs to be done with it. He discussed options for providing summary documents instead. He stated for reports that need to be more in-depth they need to respond to these questions - What? So what? Now what? He discussed the quarterly reports and indicated they should provide a cover letter summary of what happened during the quarter and then pick several important projects and provide detailed updates and that information on the small projects is not needed.

Commissioner Paulson concurred with Commissioner Harrington’s comments.

Vice President (VP) Moran stated that Commissioner Harrington’s comments are useful.

He stated that transparency is important and that the information needs to be accessible in some way to the public.

Acting General Manager Carlin stated that he would work with staff on how the materials are reported and re-think the General Manger portion of the agenda.

President Maxwell stated that the information is important but needs to be provided in a more concise way.

8. Report of the General Manager

a) Quarterly Audit and Performance Review Report

- i. FY 2020-21 Water Enterprise Inventory Count
- ii. FY 2019-20 Wastewater Enterprise Inventory Count
- iii. FY 2019-20 Hetch Hetchy Water and Power Inventory Count and Management Response
- iv. 2019 Green-e Verification Audit
- v. San Francisco Public Utilities Commission Proposition 1E Grant Audit
- vi. PG&E Interconnection Agreement Audit Termination Letter
- vii. Budget & Legislative Analyst Workforce Development Performance Audit
Charles Perl, Deputy Chief Financial Officer (CFO) provided a progress update for audits and assessments year-to-date: 40 in-progress, 32 upcoming, 24 completed and four cancelled. He reviewed audits completed and issued. He discussed the CleanPowerSF 2019 Green-e Verification Audit (purpose, outcome, customers and MWh provided).

Deputy CFO Perl continued with an FY 220-21, Q2 current quarter outlook and reviewed performance and financial audits that are completing. He noted staff is working with the City Services Auditor (CSA) to update the audit plan. He reviewed the single open (CSA) audit and recommendation and indicated it has a target close date of December 31, 2020.

Commissioner Moran thanked Deputy CFO Perl for the presentation and indicated the one open audit and recommendation is encouraging.

Commissioner Moran provided comments regarding the FY 2019-20 Physical Inventory Count Audits (Water, Wastewater, Hetch Hetchy Water and Power).

Barbara Hale, Assistant General Manager (AGM) Power, responded to a question from Commissioner Harrington regarding what happens with the PG&E Interconnection Agreement Audit Termination Letter.

Public Comment

- *David Pilpel expressed appreciation for the discussion and stated he did not see staff presentation posted. He thanked Commissioner Harrington and Acting GM Carlin for their discussion regarding how to address the large audit and quarterly reports.*

b) Quarterly Budget Status Report

Laura Busch, Budget Director, began with a Q1 summary noting positive net results are projected for all enterprises; Water revenues are up from higher wholesale sales; Water debt refinancing provided debt service savings; minimal revenue variance in Wastewater, Power and CleanPowerSF (<1%); one-time benefit from close-out of capital/programmatic projects to replenish fund balance; and financial results projected to exceed or meet policy targets for coverage and reserves.

She indicates that project closeout helped the budget rebalancing effort and one-time capital project reductions in Water, Wastewater and Hetch Hetchy Water and Power assisted with the budget rebalancing effort (\$44.5M capital project cuts, mostly power and \$2.6M programmatic project cuts).

Director Busch reviewed 2021 Water, Wastewater, Power, and CleanPowerSF budgetary variances (sources and uses), and noted key financial ratios.

Director Busch responded to a question from Commissioner Harrington regarding how the amount of money coming from closeouts, particularly in Hetchy, was determined.

No public comment.

c) Hetch Hetchy Capital Improvement Program (HCIP) Quarterly Report

Katie Miller, Director Water Capital Programs, thanked Commissioner Harrington for his comments regarding staff reports. She noted they want the reports to be meaningful and indicated they attempt to provide summary highlights and data. She stated that the reports help staff be accountable and provide a sense of accomplishment.

Director Miller began by noting that \$527M has been expended to-date with \$174M remaining and is 32% complete. She reviewed the HCIP cost summary and schedule summary, and discussed projects that are on-schedule, exceed schedule by two to six months, and those that exceed schedule more than six months.

Director Miller provided highlights of the reporting period for following projects: (1) Holm Powerhouse Rehabilitation and Kirkwood Powerhouse Oil Containment; (2) Moccasin Powerhouse and GSU Rehabilitation; (3) O'Shaughnessy Dam Access and Drainage improvements; (4) Mountain Tunnel improvement; and (5) 2018 March Storm Event emergency repairs. She indicated the Moccasin Reservoir perimeter security fence project is on schedule for completion in the third quarter.

Public Comment

- *Francisco DaCosta asked how much has been spent on Mountain Tunnel from the beginning of Jacob's Engineering work through today.*

At the request of President Maxwell, Acting GM Carlin responded to Mr. DaCosta's question regarding Mountain Tunnel project costs.

Director Robinson presented items 8d, 8e, and 8f together.

d) Sewer System Improvement Program Quarterly Report

Stephen Robinson, Wastewater Enterprise Capital Programs Director, indicated construction continues the Sunset Green Infrastructure, Oceanside Plant Digester Gas Utilization Upgrade, and Mariposa Dry-Weather Pump Station and Force Main Improvements. He reviewed (1) Program status (46.5% complete); (2) Cost summaries for Phase I; (3) Cost summary "Other"; (3) Project status (12 projects on schedule and budget, five needing attention, and 14 with greater than 10% variance); (4) Programmatic schedule performance; (5) Largest cost increases for Phase I; (6) Largest schedule variances Phase I; and (7) Achievements.

Commissioner Paulson discussed Project Labor Agreements and that the work must be consistent with Local Hire requirements and prevailing wages.

e) Wastewater Enterprise (WWE) Capital Improvement Program (CIP) Quarterly Report

Director Robinson reviewed the elements of the WWE CIP Capital Programs. He presented facilities and infrastructure cost and schedule variances. He responded to a question from President Maxwell regarding why sandbags are not needed at Ocean Beach, and a question as to what would happen if the Islas Creek Crossing is abandoned.

f) Southeast Area Major Projects Update (1) Biosolids, (2) Headworks, and (3) 1550 Evans Southeast Community Center

Director Robinson provided an update to the Southeast Area Major Projects (1) Southeast Plant (SEP) Biosolids Digesters Facilities Project (cost \$1,680M); (2) SEP New Headworks Facility Project (cost \$618.8M); (3) Southeast Community Center 1550 Evans (cost \$109.5M).

Public Comment (8d, 8e and 8f)

- *David Pilpel requested that the reports and presentations for items 8d, 8f be posted.*

g) Report on Recent San Francisco Public Utilities Commission Activities, Events and Announcements

Acting GM Carlin stated that the SFPUC is reviewing and assessing processes for operating practices (contracting) and will be requesting and audit of the SSIP. He indicated there has been communication with ratepayers, wholesale customers, rating agencies and others, and he will keep the Commission informed. He noted that SFPUC staff continue to staff the Command Center during the pandemic.

No public comment.

9. New Commission Business

Commissioner Moran asked that the Water Supply Budget Worksheet be placed on the December 22, 2020 agenda.

Commissioner Harrington asked that the next special water workshop focus on SFPUC science in the Bay Delta and Tuolumne since that was not covered during the first workshop. He asked that the workshop on demand and supply be delayed. He requested that the Acting GM work with the Commission Secretary on potential workshop dates.

No public comment.

The Commission Secretary read the Consent Calendar and announced that multiple members of the public requested via email that item 10e be removed for discussion.

Deputy City Attorney Gessner responded to a question from Commissioner Paulson regarding the process for removing an item from the Consent Calendar.

10. Consent Calendar:

- a) Approve execution of an attestation of veracity for the SFPUC's CleanPowerSF 2019 Power Content Label (PCL), and submission of the PCL to the California Energy Commission (CEC). CleanPowerSF is required by State law to annually disclose the sources of electricity generation used to serve CleanPowerSF's end-use electric customers through the preparation of the Power Source Disclosure (PSD) Report and PCL. CleanPowerSF's 2019 PSD Report was approved on June 23, 2020 in Commission Resolution No. 20-0132 and submitted to the CEC on June 25, 2020. The PSD Report demonstrated that in 2019 CleanPowerSF's Green product supply was 48.1% Renewable Portfolio Standard (RPS) eligible renewable, and its SuperGreen product supply was 100% RPS-eligible renewable. ([Resolution 20-0233](#))
- b) Approve execution of an attestation of veracity for Hetch Hetchy Power's (HHP's) 2019 Power Content Label and its submission to the California Energy Commission. Hetch Hetchy Power is required by State law to annually disclose the sources of electricity generation used to serve its end-use electric customers through the preparation of a Power Source Disclosure Report and Power Content Label. The 2019 PSD Report provided to the CEC shows that the electricity sources used to serve Hetch Hetchy Power's end-use electric customers were 100% greenhouse-gas free and that Hetch Hetchy Power met its compliance obligations under California's Renewable Portfolio Standard. ([Resolution 20-0234](#))
- c) Approve Amendment No. 3 to Agreement No. CS-318, Equipment and Software Maintenance with Schneider Electric Systems USA, Inc., to provide 24/7 manufacturer emergency technical support for the Oceanside and Southeast Wastewater Treatment Plants Distributed Control Systems software and hardware; and authorize the General Manager to execute this amendment, increasing the agreement amount by \$850,000 and extending the agreement duration by two and a half years, for a total not-to-exceed agreement amount of \$4,771,422, and a total duration of nine years and six months. ([Resolution 20-0235](#))

- d) Approve Amendment No. 2 to Agreement Nos. PRO.0019.A-D, As-Needed Specialized and Technical Services, Water Enterprise, with Brown & Caldwell-GTC, JV (PRO.0019.A), RMC-Lotus, JV (PRO.0019.B), MWH-JHCE, JV (PRO.0019.C), and AECOM-WRE, JV (PRO.0019.D), and authorize the General Manager to execute these amendments, extending each agreement's duration by one year, for a total agreement duration of five years each, with no change to the agreement amounts. ([Resolution 20-0236](#))

Public Comment items 10a through 10d:

- *Ali Altaha stated his email request included the removal of other contracts on the Consent Calendar as long as they included LBE preference points.*

On Motion to approve Consent Calendar items 10a through 10d:

Ayes: Maxwell, Moran, Paulson and Harrington

The Commission Secretary read the item and indicated there were multiple emails received requesting the removal of item 10e from the agenda: (Velma Mcadam (3), Islam Limon, Henry Flower, Susan Chin, Ninie Campbell, Dan Simpsons, Alexandro Diego Lapal, Sheki Shi, and Emilia Sueer, Ali Altaha)

- e) Approve the selection of Cooper Pugeda Management/CM Pros Joint Venture (CPM/CM Pros JV) and Hazen and Sawyer/Avila and Associates Consulting Engineers, Inc./Dabri, Inc., Joint Venture (Hazen/Avila/Dabri JV); and award Agreements Nos. PRO.0140A & B, Construction Management Services for the East Bay Region, to provide construction management services and staff augmentation to manage multiple overlapping Regional Water Enterprise construction projects; and authorize the General Manager to execute these two professional services agreements with CPM/CM Pros JV (PRO.0140A) and Hazen/Avila/Dabri JV (PRO.0140B), each for an amount not-to-exceed \$9,000,000, and each with a duration of seven years. ([Resolution 20-0237](#))

Kathy How, AGM Infrastructure, indicated numerous comments were received regarding MCK Americas, the third ranked firm that is part of a JV team with Arcadis. She indicated that staff is not requesting to award a contract to Arcadis/MCK JV. She stated comments were also received regarding Dabri of the JV Hazen/Avila/Dabri JV, and around CMD-assigned bonus points given to the JV's. She confirmed approval is requested to award a contract to Hazen/Avila/Dabri JV.

She stated that the SFPUC does not take the lead to assign ratings bonuses to any of the proposers, but that the City's Contract Monitoring Division (CMD) assigns the bonuses, and in this case in order for an LBE proposer to receive a rating bonus, the LBE proposer must have been certified by CMD in the area of Construction Management at the time of the proposal submission. She stated that proposals for PRO.0140 were due May 28, 2020. According to the submission letter issued by CMD, MCK Americas was certified on March 7, 2017 through September 30, 2020 as a Small San Francisco Local Business Enterprise (SF LBE) in the Construction Management category. Thus, MKC was certified as a small (SF LBE) in the

Construction Management Category on the proposal due date of May 28, 2020 and was entitled to a 7.5% rating bonus as a 40% JV partner. According to the certification letter issued by the CMD, Dabri, Inc. was certified on May 5, 2017 through August 31, 2020 as a Micro San Francisco Local Business Enterprise in the Construction Management category. Thus, Dabri was certified as a Micro SF LBE in the Construction Management category on the proposal due date of May 28, 2020 and was entitled to a 7.5% rating bonus as a 40% JV partner.

AGM How confirmed a statement by Commissioner Harrington that if all the firms had their 7.5% bonus points eliminated that the ranking would remain the same, and the top two firms would remain the top two.

AGM How confirmed Commissioner Moran's remark that the specific concerns raised are without merit and are factually incorrect.

In clarification of Commissioner Harrington's comment, AGM How indicated that the removal of the 7.5% bonus points would have moved Mott MacDonald/Salimi JV up in the ranking (to third ranked), which is why the question of MCK Arcadis was raised.

In responded to a question from Commissioner Moran as to whether any protests were received by firms on the list, AGM How indicated that no firms on the list have filed protests.

AGM How confirmed President Maxwell's remark that at the time of the award all firms were in compliance as determined by CMD.

Public Comment items 10e:

- *Ali Altaha stated that AGM How provided un-factual facts. He indicated that there is merit, that AGM How corrected herself on scoring, and he stated that he filed a protest and that he has seen one additional protest. He stated it is an ethical issue that needs to be addressed, that companies are not qualified to begin with, and that work is being taken from legitimate LBE's on this contract.*

AGM How indicated that a protest was received by one of the firms but was not related to the LBE bonus points and stated that the protest was resolved.

- *Eric Wright stated the LBE certification process is public and can be followed. He stated Dabri and MCK did not have their certification throughout the process and are not currently LBE certified. He discussed the reason for the LBE process to support small companies and stated large companies should not be awarded the contract. He discussed a memorandum from Vivian Liu at CMD discussing the award of points. He stated the information in the memo is incorrect and he asked for the opportunity to show the mistake.*

AGM How responded to a question from Commissioner Harrington as to what would or wouldn't happen if the item was delayed.

Commissioner Paulson stated he doesn't want to diminish the capability of the bidding process based on what he is hearing versus a greater discussion regarding the process. AGM How provided response on the process and expressed the urgent need for the contract. She noted the SFPUC has no oversight on CMD and that CMD makes determinations and delaying the item would not change the determination.

Deputy City Attorney John Roddy and AGM How responded to a question from Commissioner Paulson regarding vulnerability.

*On Motion to approve Consent Calendar item 10e:
Ayes: Maxwell, Moran, Paulson and Harrington*

11. Public Hearing: San Francisco Public Utilities Commission Budget Priorities for Upcoming FY 2021-22. Review SFPUC budget priorities for the upcoming FY 2021-22 budget and allow for Commission and public input. Staff will provide information on Charter-required updates to the Commission's 10-year capital and financial plans. *Eric Sandler, CFO and AGM Business Services, began with a review of the FY 2020-21 and FY2021-22 Budget process, which began in February 2012 with the budget adoption. He indicated that on February 9, 2021 the revised FY 21-22 operating and capital budgets and the 10-Year Capital and Financial Plans will be before the Commission for consideration.*

CFO Sandler discussed the FY 2021-22 budget reopening, which is unusual for the SFPUC as ordinarily SFPUC's budget would be closed this year. In compliance with new budget reform legislation two public hearings will be conducted on the FY 2021-22 budget, one at the current meeting and one on February 9, 2021, when the Commission will consider adoption.

He reviewed the reopening approach, reopening calendar, biennial budget themes, and reopening priorities for FY 2021-22.

Commissioner Paulson thanked staff for their diligence. He indicated that the same information is provided via presentations on different agenda items and asked that for efficiency information not be repeated.

CFO Sandler responded to questions from Commissioner Harrington: (1) where any assumptions included as to how long COVID will last, what may change over time, and economic recovery, and (2) if there is anything significant on the reopening of the capital budget.

Public Comment

- David Pilpel discussed the reopening process. He provided his input for budget priorities (1) add Condition Assessments to language about Asset Management; (2) highlight to continue City Asset Management investments; (3) be discerning about critical versus non-critical capital projects and deferring non-critical and (4) reinforcing*

24/7 operations. He requested the Asset Management Policy be brought back to the Commission.

- Francisco DaCosta addressed items not related to item 11.
- Eric Wright addressed items not related to item 11.

12. Authorize the General Manager to extend through June 30, 2021 (1) the Temporary Emergency Customer Assistance Program for COVID-19 Relief for single-family residential customers providing a discount of 15% on water, 35% on sewer, and 30% on Hetch Hetchy Power bills, (2) the application deadline for the Small Business and Nonprofit Customer Assistance Program for COVID-19 Relief providing a 20% discount on water and sewer bills, and (3) the temporary suspension of rules governing water/power shutoffs, liens, and fines that is currently scheduled to end January 15, 2021. ([Resolution 20-0238](#))

Erin Franks, Rates Administrator, requested an extension of the Emergency Assistance Program Shutoff Moratorium for (1) Residential Discount, (2) Small Business and Non-Profit Discount, and (3) Shutoffs, liens, and fines moratorium. Ms. Franks reviewed program usage and discussed the concentration of applications.

Public Comment

- *David Pilpel stated that page four of the staff report is vague on the fiscal impact of the proposal and requested a sense of scale. He asked for confirmation that ratepayer impacts don't violate Proposition 218 or Proposition 26.*

On Motion to approve Item 12:

Ayes: Maxwell, Moran, Paulson and Harrington

13. Approve three power supply contracts for CleanPowerSF between the San Francisco Public Utilities Commission and Calpine Energy Services, LP (Calpine): (1) retroactively approving an amendment to an existing Resource Adequacy (RA) capacity contract to extend the term of the contract by seven years to 2029, and increasing the contract amount by \$27,000,000 for a total contract amount not-to-exceed \$30,240,000; (2) an amendment to a renewable energy contract to extend the term by seven years to 2029, and increasing the contract amount by \$193,299,120 for a total contract amount not-to-exceed \$242,979,817; and (3) a new RA contract for a term of six years from 2024 to 2029, for a total contract amount not-to-exceed \$59,400,000; and authorize the General Manager to seek approval from the Board of Supervisors for these contracts, including one retroactive approval for the amendment to the existing RA capacity contract. ([Resolution 20-0239](#))

Mike Hyams, Director, CPSF, presented the item and amendments to the three contracts: (1) Provide retroactive approval of an amendment to an existing contract to provide Resource Adequacy capacity from the Geysers Geothermal power plant; (2) Approval of an amendment to an existing energy contract to provide energy from the Geysers Geothermal power plant; and (3) Approval of a new contract to purchase additional Resource Adequacy capacity from other facilities located in California.

The three contracts are projected to reduce CleanPowerSF's supply costs by approximately \$27 million over the FY 2022 to FY 2029 timeframe relative to its

adopted 10-year financial plan.

Public Comment

- *David Pilpel asked for clarity on how the City's contracting process and dynamic power market relate.*

On Motion to approve Item 13:

Ayes: Maxwell, Moran, Paulson and Harrington

14. Approve one Resource Adequacy (RA) contract, executed by the General Manager, for CleanPowerSF to sell RA products to Southern California Edison Company, in an amount not-to-exceed \$1,273,570; and authorize the General Manager to seek retroactive approval from the Board of Supervisors for the RA contract. ([Resolution 20-0240](#))

Director Hyams introduced the item and requested approval.

Director Hyams responded to a question from President Maxwell as to the type of products that are sold.

No public comment.

On Motion to approve Item 14:

Ayes: Maxwell, Moran, Paulson and Harrington

15. Authorize the General Manager to execute the First Amendment to the Second Amended and Restated Operating Agreement with the California Independent System Operator, establishing the terms and conditions for scheduling the SFPUC's electrical transmissions, and retroactively extending the Agreement from March 2, 2018 through December 2030 for a total duration of approximately 15.5 years, subject to Board of Supervisors approval under Charter Section 9.118. ([Resolution 20-0241](#))

Margaret Hannaford, Division Manager, Hetchy Water, discussed the need for the contract and the amendment.

Commissioner Harrington expressed concern that the last three agenda items were requests for retroactive approvals. Ms. Hannaford responded to his question as to why an agreement that expired nearly three years ago is just now coming before the commission for amendment.

No public comment.

On Motion to approve Item 15:

Ayes: Maxwell, Moran, Paulson and Harrington

16. Authorize CleanPowerSF to participate in the California Public Utilities Commission's (CPUC) Arrearage Management Program, which provides qualifying customers with debt forgiveness for past due amounts owed. ([Resolution 20-0242](#))

Barbara Hale, AGM Power, discussed the CPUC's Arrearage Management Program to

forgive past-due amounts owed and the SFPUC's desire to participate in the program, and she requested approval.

No public comment.

On Motion to approve Item 16:

Ayes: Maxwell, Moran, Paulson and Harrington

17. Authorize the General Manager to execute an Agreement with the California Department of Fish and Wildlife (CDFW) regarding the construction, operation, and maintenance of a permanent water recirculation system at the CDFW-owned and operated Moccasin Fish Hatchery to allow for reduction in SFPUC water deliveries to the Hatchery during shutdowns of the Hetch Hetchy Water and Power system and during droughts, with a duration of 24 months and in an amount not-to-exceed \$2,600,000. (Resolution 20-0243)

Steve Ritchie introduced the item and requested approval.

Commissioner Harrington noted the Lease expired in 2012.

No public comment.

On Motion to approve Item 17:

Ayes: Maxwell, Moran, Paulson and Harrington

18. Public comment on matters to be addressed during Closed Session

None.

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

On Motion to assert the attorney-client privilege:

Ayes: Maxwell, Moran, Paulson and Harrington

The Commission entered Closed Session at 5:53 PM.

Closed Session attendees: Commissioners Maxwell, Moran, Paulson and Harrington, Michael Carlin Acting General Manager, Deputy City Attorneys Francesca Gessner, Mark Lipton and John Roddy, Steve Ritchie, AGM Water, Eric Sandler, AGM Business Services, Lee Sayao, SFPUC IT, Donna Hood, Commission Secretary

20. Existing Litigation

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

Pacific Bell Telephone Company v. City and County of San Francisco, et al.

San Francisco Superior Court Case No. CGC-19-581035/Date Filed 11/25/19

Proposed settlement with City to pay plaintiff \$72,036 and plaintiff to release all claims. (Resolution 20-0244)

The Commission exited Closed Session at 6:00 PM.

21. Announcement following Closed Session

The Commission President announced that item 20 was approved and recommends settlement to the Board of Supervisors.

22. 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 discussions during Closed Session:
Ayes: Maxwell, Moran, Paulson and Harrington*

23. Adjournment

President Maxwell adjourned the meeting at 6:01 PM.

