



**SAN FRANCISCO PUBLIC UTILITIES
COMMISSION**

City and County of San Francisco

London N. Breed
Mayor

REGULAR MEETING MINUTES
Tuesday, December 14, 2021
1:30 P.M.
(Approved January 11, 2022)

Commissioners

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

Dennis J. Herrera
General Manager

Donna Hood
Secretary



1. Call to Order

President Moran called the meeting to order at 1:30 PM.

2. Roll Call

Present: Moran, Ajami, Maxwell, Paulson, and Harrington

3. Adopt renewed findings under State Urgency Legislation to continue to allow remote meetings during the COVID-19 Emergency; continue remote meetings for the next 30 days; and direct the Commission Secretary to agendize a similar resolution at a Commission Meeting within the next 30 days. ([Resolution 21-0181](#))

No public comment.

On motion to approve item 3:

Ayes: Moran, Ajami, Maxwell, Paulson, and Harrington

4. Approval of the Minutes of November 23, 2021

No public comment.

On motion to approve the Minutes of November 23, 2021:

Ayes: Moran, Ajami, Maxwell, Paulson, and Harrington

5. General Public Comment

- *Eileen Boken discussed the Water System Improvement Program (WSIP) Bond, condition of water quality and the blending of water. She urged the Commission to revisit blended water.*
- *Peter Drekmeier, Tuolumne River Trust, stated that it has been three years since the State Board adopted Phase I of the Bay Delta Plan Water Quality Control Plan and more than a year since the SFPUC's workshops began. He indicated there has been no action. He discussed demand projections, climate change, and the Long-Term Vulnerability Assessment. He asked that there be discussion regarding the Design Drought.*
- *David Pilpel recognized departing or retiring SFPUC employees for their service and important work.*
- *Francisco DaCosta expressed appreciation for opening the meeting with the paying of respect to the Muwekma Ohlone. He noted the death of the security guard working near the Phelps Plant. He requested data on leaking pipes.*

In response to a question from Commissioner Harrington regarding the security guard, General Manager (GM) Herrera stated the death of the contracted security guard did not occur on SFPUC property and indicated that he was hit and killed by an automobile.

President Moran asked that the link to the Long-Term Vulnerability Assessment

be sent to the Commission and made available to the public. He stated that a discussion regarding the Design Drought will be scheduled for early in 2022.

6. Communications

- a) Advance Calendar
- b) Contract Advertisement Report
- c) Correspondence Log
- d) Alternative Water Supply Program Quarterly Report
- e) Water Resources Division Annual Report
- f) Water System Improvement Program Status of Construction Change Orders

Commissioner Harrington noted the work that goes into the Alternative Water Supply Program and the report. He asked that an executive summary be provided in future reports to point out highlights and new issues.

Vice President (VP) Ajami concurred with Commissioner Harrington. She acknowledged the work involved with preparing the Water Resources Division Annual Report and thanked staff for their work.

President Moran commented on the Alternative Water Supply Program and noted the volume of material provided, stating a better version of the report should be provided. He questioned if the program is ambitious enough and meets its objectives. He indicated that the thinking may need to shift from demand projections to an active approach of setting demand targets. Brief discussion ensued.

Commissioner Harrington requested that staff return with a plan and a schedule of topics. President Moran asked that discussions be held with purpose.

Public Comment

- Peter Drekmeier, Tuolumne River Trust, discussed item 6e and 2020-21 demand projections. He discussed item 6d and groundwater banking. He noted the Groundwater Sustainability Plan's response deadline.
- David Pilpel discussed item 6b and expressed interest in a narrative report or presentation on SFPUC real estate issues located in the Southeast section of the city.

7. Water Supply Development Report

Steve Ritchie, Assistant General Manager (AGM) Water, stated that staff from Santa Clara and San Jose were invited to present to the Commission as customers of the Regional Water System. He provided a brief background on how the two cities became customers.

Gary Welling, Water Resources Director, City of Santa Clara, presented the following: (1) City of Santa Clara has a population of approximately 130,000 and a daytime population of approximately 250,000; (2) they have been a SFPUC customer since 1974. They participate in the regional water supply planning and have paid their proportional share of the \$4.8 billion cost of the WSIP; (3) Potable Water Distribution System, noting their potable water received: local groundwater (59%), Valley Water

(22%), and the SFPUC (29%); (4) Recycled Water (non-potable water supply); (5) conservation and outreach efforts; (6) conservation rebate programs (BAWSCA and Valley Water); (7) Water Efficient Landscape Ordinance; and (8) request that the Commission reaffirm its commitment to making Santa Clara a permanent customer.

Jeff Provenzano, Deputy Director Water Resources Division, City of San Jose, presented the following: (1) review of the San Jose service area including the portion that is served by the SFPUC; (2) background, including note that the City of San Jose became a water customer in 1969; (2) shared water interests; (3) programs and goals; and (4) importance of working together, with an ask that the SFPUC continue to consider expediting affordable and equitable water supplies, projects, including permanent water supplies for San Jose.

In response to a question from President Moran regarding the amount of water provided to interruptible customers, AGM Ritchie stated that current demand is less than 4.5 million gallons per day (mgd), which was the original request for making them permanent customers. He stated the combined demand is close to 5 mgd. In response to follow-up questions (1) as to what changes if they are granted permanent status, AGM Ritchie indicated the supply assurance would need to be agreed to by other customers. He discussed alternative supplies that might be provided; and (2) regarding Water Budget (yield-versus-demands), and a question as to whether anything would change if they are made permanent customers, to which AGM Ritchie replied that currently it would not. Discussion ensued.

Public Comment

- *Eileen Boken said water needs to be given to the salmon. She stated she does not support making San Jose and Santa Clara permanent customers.*

8. Report of the General Manager (GM)

a) California Community Power Long-Duration Storage Procurement

Barbara Hale, AGM Power, stated that the item presented is informational in advance of a forthcoming action seeking authorization for CleanPowerSF (CPSF) to participate in California Community (CC) Power's first Long Duration Storage (LDS) Project. She discussed the California Public Utilities Commission's (CPUC) mandate that CPSF and other power providers procure LDS resources. She noted that CPSF has participated in a request-for-offers for LDS resources as a member of the new CC Power Joint Powers Authority (JPA). She indicated on October 8th CC Power issued a notice-of-intent to proceed with its first LDS project from a competitive solicitation for the Tumbleweed LDS Project. She stated it is expected that CC Power will approve the Tumbleweed LDS Project in December and that member agencies, including CPSF, will then seek approval from their governing bodies.

AGM Hale noted: (1) CPUC Decision D.21-06-035 ordered retail sellers of electricity under its jurisdiction to procure 11,500 MWh of new resources, including 1,000 MWh of LDS, or face significant costs. CPSF's share of the order is 15.5 MWh. She stated the Tumbleweed LDS Project will meet more than half of CPSF's LDS procurement obligation. She indicated CPSF will pursue additional procurement through CC

Power and independently to meet the CPUC order.

She reviewed: (1) LDS RFO objectives, specifications, and project conditions (workforce, environmental, environmental justice); (2) CC Power LDS Project #1 LDS Power Tumbleweed; (3) Tumbleweed LDS project participants; (4) project agreement structure with three agreements - Operations Agreement, Project Participation Share Agreement, and Buyer Liability Pass Through Agreements; (5) Tumbleweed Project procurement context; and (6) next steps.

Commissioner Maxwell expressed concern with the project's condition language regarding workforce development that states "...encourages local labor and apprenticeship programs". She questioned why it does not indicate "must" or "requires", as are stated under the environmental and environmental justice conditions.

AGM Hale provided response noting not every local community has the necessary skills and trades. Commissioner Maxwell stated that the language should be revised to "require" for her ultimate support of the item. AGM Herrera indicate that he understands Commissioner Maxwell's sentiment and will look into the "art of the language".

Commissioner Harrington thanked staff for their work. In response a question regarding group participation, Mike Hyams, Deputy Director, stated the mandate is to support the grid and noted the benefits of group participation which allow for the opportunity to participate in larger projects for cost efficiency.

Mr. Hyams responded to a question from VP Ajami regarding procurement as a collective and if there is a priority for resources among participants, stating that the Operating Agreement will form a committee of participants to provide updated direction for plant operation, with the expectation that the plant will be operated on wholesale market signals. Brief discussion ensued.

Public Comment

- David Pilpel expressed support for the proposal and concern with the battery technology types, all of which have environmental impacts located in Kern County and stated that batteries would use resources and create waste. He questioned who is responsible for CEQA compliance for the facility.

b) Drought Conditions Update

AGM Ritchie provided an update on the following: (1) December 6, 2021 Reservoir Storage; (2) other California reservoir storage levels; (3) California Drought Monitor ("extreme drought" is not changing much but "exceptional drought" is lessening); (4) Hetch Hetchy precipitation; (5) Upcountry snowpack (above historic median); (6) Water available to the City; (7) Tuolumne River water available to the City (above last year); (8) Upcountry 6 Station Precipitation Index (YTD total 7.25 inches – 20% of annual total); (9) Bay Area 7-station Precipitation Index (YTD total 8.03 inches); (10) National Precipitation Forecast, noting storms are forecasted for the coming

weeks; and (11) Total Deliveries at 159 mgd. He stated that Curtailments were suspended by the State Water Board on October 19, 2021 with suspension expected through the end of the month.

VP Ajami stated that after the last atmospheric river demand bounced back. She asked that people be made aware of the conditions of the system as a whole and requested that such a message be communicated.

Public Comment

- Dave Warner stated he provided the Commission with the Tuolumne Fish Passage Chart. He discussed his recent experience in the Yosemite Valley and that while walking on a bridge over the Merced River he saw no fish. He discussed the length of time it would take to see salmon on the Tuolumne River and discussed his calculations on fish numbers.

c) Emergency Firefighting Water System (EFWS) Update

John Scarpulla reviewed the requirements of the citywide EFWS Plan, per Board of Supervisors (BOS) Resolution 191029, which required that the SFPUC draft a citywide plan for the EFWS (expanding pipelines and add additional water sources). He noted that the resolution requires the City Administrator's Office, Mayor's Budget Office, and the BOS Budget Legislative Analyst analyze General Obligation (GO) Bonds to fund the work.

Mr. Scarpulla reviewed: (1) location map displaying existing and proposed EFWS (funded and un-funded); (2) proposed water sources (existed/funded and proposed new); (3) program costs (total \$1,630 billion) excluding previously funded Phase I of the Westside Potable EFWS; (4) program cost escalation for (a) 15-year construction period (\$2,640 billion); and (b) 25-year construction period (\$3,290 billion), excluding previously funded Phase I of the Westside Potable EFWS, and 5-year planning/design assuming a 4% annual escalation.

Commissioner Harrington stated he is not a fan of the project and asked Mr. Scarpulla if there are other locations with a similar system. Mr. Scarpulla indicated that Vancouver, BC has a smaller system and indicated that the Westside System is modeled after a similar system in Japan. Commissioner Harrington referenced a letter sent by Nancy Wuerfel discussing the distribution of non-potable water and reiterated his lack of support. He stated the SFPUC needs to push back, stating it isn't a priority for the City.

VP Ajami questioned if there is information or data about any failures of the firefighting system due to the lack of an EFWS. She discussed the need to develop alternative water supplies.

President Moran discussed the decision that non-potable water be used in the system. He referenced correspondence received asking why a separate system is being built that would include potable water. He noted that the current system has potable water that is designed to accept non-potable water in an emergency, if

necessary.

Public Comment

- *Eileen Boken discussed the November 18, 2021 BOS Government Audit and Oversight Committee follow-up on the Civil Grand Jury Report concerning the Auxiliary Water Firefighting System. She stated that Supervisor Mar indicated that would not support draining Lake Merced for firefighting. She discussed the AECOM report.*
- *David Pilpel stated that if and when expansion of the system is chosen, planning and construction should be coordinated with other city and non-city projects. He stated he takes Commissioner Harrington's comments seriously and that discussion on risks and use of the current system should occur.*

d) Water System Improvement Program (WSIP) Quarterly Report

Katie Miller, Director, Water Programs, stated the delays for the Capital Improvement Program (CIP) quarterly reports are due to current staff work on the 10-year CIP budget submittal. She indicated that the reports are being revised to respond to the Commission's request for greater accountability through increased tracking of project history and performance. She noted the new reporting format will begin in January.

Director Miller stated the WSIP is 99% complete, with five projects in construction, one in close-out, and 44 completed, for a total of \$3,691M expended and \$112M remaining. She reviewed the cost summary for seven active projects, noting low construction and spending for the quarter, and indicated there was no change in the budget variance from the last quarter.

She concluded with a brief status update for the Alameda Creek Recapture Project and for Phase I of the Regional Groundwater Storage and Recovery Project.

No public comment.

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

GM Herrera stated that on December 9, 2021 the Controller's Office issued a performance audit of the SFPUC's Social Impact Partnership Program and indicated it will be placed on the January 11, 2022 agenda for discussion.

No public comment.

9. New Commission Business

None.

10. Consent Calendar

- a) Authorize the General Manager to execute the Second Amendment to the Amended and Restated Memorandum of Understanding by and between the San

Francisco Public Utilities Commission and the San Francisco Recreation and Parks Department (SFRPD) to allow the SFPUC to decommission up to eight (8) of the former irrigation wells originally slated for decommissioning, with the option to convert two (2) of these into monitoring wells, prior to the Recycled Water Project being fully operational and able to reliably provide the irrigation water supply for Golden Gate Park. Because irrigation water for Golden Gate Park is currently being supplied by three new or rebuilt SFPUC well stations until recycled water is available, the timing of the well decommissioning and conversion to monitoring wells will not impact the current or future backup water supply for Golden Gate Park. ([Resolution 21-0182](#))

- b) Approve Amendment No. 3 to Agreement No. CS-1004.B, Engineering Design Services Oceanside Plant, with Stantec Consulting Services Inc., to provide continued engineering support services during the construction and close-out phases of the Westside Pump Station Reliability Improvements Project and Oceanside Plant Digester Gas Utilization Upgrade Project; and authorize the General Manager to execute Amendment No. 3, increasing the contract amount by \$500,000, and increasing the contract duration by two years and 10 months, for a total not-to-exceed amount of \$7,000,000 and a total agreement duration of nine years and 10 months. ([Resolution 21-0183](#))
- c) Approve an increase of 180 consecutive calendar days to the contract duration contingency for Contract No. DB-129.1, Bay Corridor Transmission and Distribution – Phase 2 (2019) North, with Mitchell Engineering; and authorize the General Manager to approve future modifications to the contract for a total contract duration of up to 795 consecutive calendar days, with no change to contract amount. ([Resolution 21-0184](#))
- d) Approve an increase of 180 consecutive calendar days to the contract duration contingency for Contract No. DB-129.2 Bay Corridor Transmission and Distribution – Phase 2 (2019) South, with Anvil Builders, Inc.; and authorize the General Manager to approve future modifications to the contract for a total contract duration of up to 795 consecutive calendar days, with no change to contract amount. ([Resolution 21-0185](#))
- e) Approve an increase of 240 consecutive calendar days to the contract duration contingency for Contract No. WD-2861, Auxiliary Water Supply System Clarendon Supply 2019, with Mitchell Engineering; and authorize the General Manager to approve future modifications to the contract for a total contract duration of up to 599 consecutive calendar days, with no change to contract amount. ([Resolution 21-0186](#))
- f) Approve an increase of 180 consecutive calendar days to the contract duration contingency for Contract No. WW-696, Cargo Way Flush Line, with JMB Construction, Inc.; and authorize the General Manager to approve future modifications to the contract for a total contract duration of up to 716 consecutive calendar days, with no change to contract amount. ([Resolution 21-0187](#))

- g) Approve an increase of 30 consecutive calendar days to the contract duration contingency for Contract No. WW-703, Mission Street, 16th to Cesar Chavez Street, Brick Sewer Rehabilitation; and authorize the General Manager to approve future modifications to the contract for a total contract duration up to 426 consecutive calendar days, with no change to the contract amount. ([Resolution 21-0188](#))

Public Comment

- *Eileen Boken requested that item 10e be removed for discussion and expressed her concerns with the item as written.*
- *David Pilpel indicated he has no issues with the Consent Calendar and expressed support.*

Howard Fung, Manager, Project Management Bureau, discussed Ms. Boken's concerns, specifically regarding the valving structure connection, noting the work needed for direct connection and that it be located above ground.

*On motion to approve Consent Calendar items 10a through 10g:
Ayes: Moran, Ajami, Maxwell, Paulson, and Harrington*

11. Authorize the General Manager to execute on behalf of the City and County of San Francisco, a Memorandum of Understanding between the San Francisco Public Utilities Commission, the San Mateo Resource Conservation District, Coastside County Water District, Sewer Authority Mid-Coastside, and the County of San Mateo (County), for an amount not-to-exceed \$9,695 and with a duration of 58 months which will allow for the continued operation and maintenance of the Pilarcitos Creek at Half Moon Bay, CA Gauging Station USGS# 11162630.U Pilarcitos Creek Gauging Station. ([Resolution 21-0189](#))

AGM Ritchie introduced the item and indicated it is one of multiple agreements for stream gauge monitoring work conducted throughout the water system, with this particular agreement for the station on Pilarcitos Creek.

No public comment.

*On motion to approve item 11:
Ayes: Moran, Ajami, Maxwell, Paulson, and Harrington*

12. Authorize the General Manager to execute on behalf of the City and County of San Francisco, Amendment No. 2 to the Memorandum of Agreement (MOA) for the Bay Area Regional Reliability partnership to (1) extend the term of the Agreement by 15 months, until March 31, 2023 with no change in contract amount; and (2) include Marin Municipal Water District as a Participating Partner to work collaboratively to develop the Bay Area Shared Water Access Program. ([Resolution 21-0190](#))

AGM Ritchie stated the request is for an extension of the MOA, which is a cooperative effort between agencies, and discussed the addition of the Marin Municipal Water District as a participating partner.

President Moran stated the Alternate Water Supply Program Quarterly Report indicated this project was on hold due to the drought. AGM Ritchie responded to President Moran's question as to whether there are opportunities to speed up the ability for emergency approvals. President Moran encouraged those involved to use this as an opportunity to look at the issues that need to be resolved to make the activities useful.

Public Comment

- *Francisco DaCosta stated that SFPUC partners have expanded and parts of the city are missing water. He stated his water stinks and that groundwater was added, and he was not informed. He said a needs assessment needs to be done on the quality of water that is transferred.*

On motion to approve item 12:

Ayes: Moran, Ajami, Maxwell, Paulson, and Harrington

13. Approve the terms and conditions and authorize the General Manager to execute and enter into three separate Purchase and Sale Agreements with Oak Ridge Ranch Estates LLC, Arroyo Hondo Ranch Estates LLC, and Mount Day Ranch Estates LLC, respectively, for the purchase of three separate properties comprising a total of approximately 653 acres of agricultural and residential land located in the unincorporated areas of Alameda and Santa Clara Counties, California, for the total purchase price of \$9,151,875; and approve the expenditure of funds for due diligence and transaction costs associated with the acquisitions in an amount not-to-exceed \$200,000. The purchase of these properties is part of an overall strategy to both protect natural areas and open space and prevent development and/or other activities that may otherwise degrade water quality. ([Resolution 21-0191](#))

Michael Carlin, Deputy General Manager (DGM), introduced the item noting the rare opportunity to purchase three parcels of land located in the primary watershed. He stated that surround the land is owned by the SFPUC and East Bay Regional Parks (EBRP).

In response to a question from Commissioner Maxwell, DGM Carlin stated that the SFPUC currently owns approximately 38,000 acres in the Alameda Creek Watershed, with this purchase adding an addition of 653 acres. He indicated under current conditions the value for all of the land would be for an approximate low value of \$456M and an approximate high value of \$600M, without the infrastructure investments.

In response to a question from Commissioner Harrington as to whether EBRP users can access SFPUC property, DGM Ritchie responded that there is an agreement with EBRP that they will manage some of the SFPUC parcels as part of the EBRP District.

No public comment.

On motion to approve item 13:

Ayes: Moran, Ajami, Maxwell, Paulson, and Harrington

14. Public comment on matters to be addressed during Closed Session
None.

15. 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: Moran, Ajami, Maxwell, Paulson, and Harrington

The Commission entered Closed Session at 4:03 PM.

Present: Commissioners Moran, Ajami, Maxwell, Paulson, and Harrington; GM Dennis Herrera; Deputy GM Michael Carlin; Sheryl Bregman, Deputy City Attorney, Nicholas Whipps, Deputy City Attorney, Sara Eisenberg, Deputy City Attorney; Lee Sayao, SFPUC IT; and Donna Hood, Commission Secretary.

16. CONFERENCE WITH LEGAL COUNSEL regarding existing litigation as plaintiff/petitioner (Government Code §54956.9, Administrative Code §67.10(d)(1)): *In the Matter of Initial Orders Imposing Water Right Curtailment and Reporting Requirements in the Sacramento-San Joaquin Delta Watershed on Water Right Nos. S002635, S002636, S002638, S002637, S014379, S015858, S018734, and S018735 (State Water Resources Control Board Administrative Proceeding); San Joaquin Tributaries Authority v. State Water Resources Control Board (Fresno County Superior Court Case No. 21CECG02632), filed September 2, 2021; City and County of San Francisco v. California State Water Resources Control Board, et al. (Tuolumne County Superior Court Case No. CV 63828), date filed May 14, 2021; San Joaquin Tributaries Authority, et al. v. California State Water Resources Control Board (Tuolumne County Superior Court Case No. CV 62094), date filed January 10, 2019, coordinated as State Water Board Cases by order filed May 13, 2019 in Sacramento Superior Court, Judicial Counsel Coordinated Proceeding No. 5013.*

The Commission exited Closed Session at 4:28 PM.

17. Announcement following Closed Session.

President Moran announced that not reportable action was taken.

18. 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 Sessions:

Ayes: Moran, Ajami, Maxwell, Paulson, and Harrington

19. Adjournment

President Moran adjourned the meeting at 4:29 PM.