



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

REGULAR MEETING MINUTES
Tuesday, January 11, 2022
1:30 P.M.
(Approved January 25, 2022)

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

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 1:31 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. ([Reso 22-0001](#))

No public comment.

On Motion to approve Item 3:

Ayes: Moran, Ajami, Maxwell, Paulson and Harrington

4. Approval of the Minutes of December 14, 2021

No public comment.

On Motion to approve the Minutes of December 14, 2021:

Ayes: Moran, Ajami, Maxwell, Paulson and Harrington

5. General Public Comment

- *Eileen Boken discussed the AECOM Report titled “Emergency Firefighting Water System 2050 Planning Study” and referenced Board of Supervisors file number 190785. She discussed the September 11, 2017 Capital Planning Committee meeting and a presentation made by the SFPUC regarding the Oroville Dam Spillway, state mandated requirements, and associated costs. She requested an update.*
- *Peter Drekmeier, Tuolumne River Trust, stated the Long-Term Vulnerability Assessment is useful but doesn’t answer key questions related to climate change, water supply entitlement, design drought, the management of Bay Delta Plan Flows, and alternative water supply development. He stated he is working on a response to the Assessment.*
- *Francisco DaCosta indicated that the water in his area stinks due to the addition of groundwater. He stated samples need to be taken.*
- *Ali Altaha discussed the awarding of contracts and indicated there was a previous question asked by a Commissioner regarding risk. He discussed risk and recent indictments in Los Angeles.*
- *Alita Dupree indicated she lives in an all-electric home and said that it needs to be easier and more affordable for San Franciscans to obtain clean energy.*
- *Tricia Gregory, Heavyweight Trucking, Micro LBE, District 10, asked that community liaisons be kept on projects to ensure that micro LBE’s get on the jobs and are made aware of available contracts.*

6. Communications
 - a) Advance Calendar
 - b) Contract Advertisement Report
 - c) Correspondence Log

Public Comment

- *Ali Altaha discussed challenges with the Communications Log and noted its importance. He stated the media clips are selected by staff.*

7. Report of the General Manager (GM)

- a) Drought Conditions Update

Steve Ritchie, Assistant General Manager (AGM) Water, presented the report: (1) January 3, 2022 Reservoir storage level for Hetch Hetchy is at 25%, Cherry is at 27%, and Eleanor is at 209%; (2) Other California Reservoir levels; (3) California Drought Monitor, stating the areas previously showing extreme drought have now gone to severe drought; (4) Hetch Hetchy precipitation is flattening; (5) Upcountry snowpack is ahead of 2017 levels; (6) Water available to the city has increased; (7) Tuolumne River water available to the City is at 126,000 acre feet; (8) Upcountry 6-Station Precipitation Index as of January 2, 2022 - total year-to-date 18.61 inches – 51% of average annual total; (9) Bay Area 7-Station Precipitation Index as of January 2, 2022 - total year-to-date 19.14 inches – 84% of annual total; (10) National precipitation forecast; (11) Total deliveries; and (12) Regional Water System water use reductions from FY 19/20. He noted that on October 19, 2021 Curtailments were suspended.

In response to a question from Vice President (VP) Ajami as to the difference in water sales from last year, AGM Ritchie stated that he would provide information on how actions taken in FY 2021-22 have impacted water use.

In response to a question from Commissioner Harrington as to when the drought surcharge would be withdrawn or have a “go, no-go” date, AGM Ritchie stated that the Declaration of Water Shortage Emergency automatically triggers the surcharge beginning April 1st and that it will stay in effect until the Commission lifts the Emergency Declaration.

Commissioner Harrington questioned the status of his previous request that environmental data be included in the report. AGM Ritchie stated that environmental information would be included in the report beginning no later than with the February 8th report.

President Moran stated that the Drought Surcharge will commence April 1st. He stated that if on April 1st it looks to be a wet year communication will need to take place as to why there is the need for a surcharge. He asked that the GM and staff look at whether the surcharge should be reconsidered, depending on conditions and the evolving situation. VP Ajami indicated that long-term planning should include how a surcharge is put into place.

Public Comment

- *David Pilpel asked if the drought update could be submitted later in the week prior the Commission meeting to capture the most recent drought monitor. He addressed Commissioner Harrington’s question regarding the surcharge and how much lead time Customer Service needs for “go, no-go”. He stated reduction in water use results in less wastewater use, and that eliminating the planned rate increase is a bad idea and will result in further revenue deficiencies.*
- *Peter Drekmeier, Tuolumne River Trust, stated that the SFPUC has picked up 126,000-acre feet from the Tuolumne this year, not including snow melt. He stated that we are doing well early in the season and closing in on annual demand of 219,000-acre feet, based on 195 mgd. He discussed storage levels and stated it needs to be acknowledged.*
- *Francisco DaCosta asked who will speak for the salmon; discussed the Raker Act; and addressed the number of wholesale customers.*

- b) Results of Recent Competitive Sales of Wastewater and Power Revenue Bonds
Rich Morales, Debt Manager, indicated the Wastewater Revenue Bonds/Notes were approved by the Commission on October 26, 2021, with a November competitive sale. Wastewater Ratings affirmed Aa2/Moody’s and AA/S&P. Power Revenue Bonds were approved by the Commission on November 9, 2021 with a December competitive sale. Power Ratings affirmed AA/S&P and AA-/Fitch. He stated market conditions were stable and favorable at the time of sales with strong demand and aggressive bidding. He stated that a “green” series was offered in each transaction.

He reviewed the sales results: (1) Wastewater Revenue Bonds: \$297,880,000, sold in two series: 2021 Series A (Green Bonds) with a final maturity of 30 years, 8 bids received, and winning bid True Interest Cost (TIC) 3.00% BofA Securities; and 2021 Series B with a final maturity of 30 years, 8 bids received, and winning bid TIC 3.21% Citigroup; (2) Wastewater Revenue Notes: \$347,465,000, sold in two series: 2021 Series A (Green Notes) with a final maturity of 4 years, 9 bids received, and winning bid TIC 0.74% J.P. Morgan; and 2021 Series B (Green Notes) with a final maturity of 5 years, 10 bids received, and winning bid TIC 0.81% Citigroup; and (3) Power Revenue Bonds: \$124,000,000 and sold in two series: 2021 Series A (Green Bonds) with a final maturity of 30 years, 9 bids received, and winning bid TIC 2.57% RBC Capital Markets; and 2021 Series B with a final maturity of 30 years, 9 bids received, and winning bid TIC 2.75% RBC Capital Markets.

Commissioner Harrington complimented Mr. Morales on the sale. In response to a question regarding the impact of green bonds in the sale, Mr. Morales said to look at the aggregate, but noted the importance of the green bonds. Brief discussion ensued.

Public Comment

- *David Pilpel asked what the staff projection was for the bond and note interest rates as presented in November and of the impact of the interest over the life of*

the bonds and notes. He thanked Mr. Morales for his work and wished him well on his retirement.

GM Herrera called item 7e out of order.

e) Performance Audit of the SFPUC Social Impact Partnership Program: Report of the Office of the Controller, City Services Auditor (CSA), Audits Division

GM Herrera thanked the CSA, the consulting firm, and SFPUC staff for their work. He indicated the Public Integrity Audit, titled “Significant Changes Are Needed to the Design, Monitoring, and Control of the San Francisco Public Utilities Commission’s Social Impact Partnership Program”, was released on December 9, 2021. He discussed the reasons for and the goals of the Social Impact Partnership Program. He indicated participation in the program was voluntary.

GM Herrera highlighted three main audit findings: (1) the program lacks sufficient internal controls related to solicitation, commitment monitoring, and contract close out; (2) the established framework to oversee and manage the program lacked transparency and proper procedures; and (3) because contractors made commitments the SFPUC was unable to establish were met, there is a lack of confidence that the city or residents are getting the best value from the proposed commitment. GM Herrera indicated the audit found problems with the administration of the program and noted that mature rules and regulations should be enacted and approved by the Commission and the Board of Supervisors (BOS).

He stated the audit did not find wrongdoing by individuals or companies and did not recommend shutting the program down. He noted the audit was about procedures but stated there should also be concern with outcomes. He stated the initial review of the information dashboard indicated there are no outliers in terms of companies or entities who received a disproportionate amount of time or funds.

GM Herrera stated: (1) there is a commitment to continue the program; (2) staff have been directed to respond with concurrence to the seven audit recommendations and that they be implemented in 2022; and (3) staff have been directed to work with the City Attorney’s office to implement what can be done immediately and to work together to present a recommendation to the GM and Commission, and the BOS.

He stated notices are being inserted into request for proposals to include details for the solicitation of upcoming amendments to ensure projects are now slowed down, that they will continue to have social impact partnership opportunities for contractors, and will allow for necessary changes by the City Attorney, which he noted.

GM Herrera stated staff is preparing an assessment of all past program reporting documentation, which will be presented to him for evaluation. He discussed next steps and indicated that a revised program will be brought to the Commission for approval.

Commissioner Paulson noted the importance of the audit and stated he was pleased

to know the audit found no blatant wrongdoing.

Commissioner Harrington thanked CSA and others for their work on the audit and noted its benefits. He stated other accusations that have been made were not part of the audit. In response to his question as to whether other issues are being reviewed, GM Herrera indicated he was not aware of any, stating the audit was about process.

VP Ajami questioned if any “red flags” were identified. She expressed approval with efforts to be more data driven. She recommended staff search for best management practices in contracting and infrastructure. GM Herrera noted the good work of the program and indicated the need for transparency and ethical guidelines.

Commissioner Maxell stated that many issues that have been raised can be addressed in the new policy to be approved by the Board of Supervisors.

President Moran stated it is noteworthy that other departments have been asking for citywide legislation to have a similar program and that it needs to be done in a transparent way. He stated he is pleased that the GM is looking beyond procedures and is including outcomes.

Public Comment

- *David Pilpel stated that for years he has expressed concern with the Community Benefits Program, primarily with the nexus between ratepayers and the benefits to ratepayers from the program. He stated having the suggested controls and guidelines is required. He reiterated his previous comments in favor of eliminating the position of AGM of External Affairs and bringing the program under the Chief of Staff.*
- *Ali Altaha stated there has been deception by GM Herrera. He discussed a December 4, 2020 investigative report by NBC Channel 4, San Francisco.*
- *Francisco DaCosta stated that there is lying and stated empirical data was provided to the Controller and City Attorney.*

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

Katie Miller, Director, Water Capital Programs, discussed reporting changes since FY 2020-2021: (1) no rebase lining of CIP programs (except the Water System Improvement Program); (2) quarterly reporting only for projects greater than \$5M and managed by infrastructure; and (3) report formatting improvements made to better highlight project performance history.

Director Miller reviewed key revisions to the quarterly HCIP report: (1) new table 5 Budget and Schedule Trend Summary; (2) Table 3.1 Cost Summary; (3) Table 6 Project Performance Summary; and (4) Section 7 Project Status Report. She stated that the 2018 HCIP included 19 projects, noting the eight projects were completed by September 2021. She stated that 11 continuing HCIP projects were carried forward to FY 21-30, six new projects were added, 17 projects with a total budget of \$736M are to be completed by October 2035, and that the total HCIP

program budget is \$870M, including three project development reports.

Director Miller reviewed: (1) HCIP status, stating there are 10 projects in pre-construction and three in construction or multiple phases. The project is 21% complete with \$121M expended; (2) HCIP Cost Summary, noting the major cost variances; (3) highlights of the reporting period; and (4) updates to the San Joaquin Pipeline Valve and Safe Entry Improvements, Moccasin Powerhouse and Generator Step-Up Rehabilitation, and Mountain Tunnel Improvements.

Commissioner Harrington and VP Ajami thanked Ms. Miller for the report and noted the difficulty during shutdowns.

No public comment.

d) Wastewater Enterprise Quarterly Report Including Southeast Area Major Projects Update (1) Biosolids, (2) Headworks, and (3) 1550 Evans Southeast Community Center

Stephen Robinson, Wastewater Enterprise Capital Program Director, began with construction updates for the Mission, 16th to Cesar Chavez Street Brick Sewer Rehabilitation, Westside Pump Station Reliability Improvements, and Wawona Area Stormwater Improvement Project.

He indicated key revisions to the quarterly report format as presented by Director Miller also apply to this report. He reviewed the Sewer System Improvement Program (SSIP) Phase I status (70 projects), stating as of September 21, 2021 the project is 47.4% complete with \$2,993M expended. He reviewed the SSIP Status and the Facilities and Infrastructure Cost Summaries.

He provided Capital Program highlights and stated two construction notice-to-proceed were issued. He noted work continues by artist Malik Seneferu on the Southeast Plant (SEP) Fence Mural titled, "Clean the Air".

Director Robinson provided the following progress and status updates: (1) SEP Biosolids Digester Facilities Project: Project cost increased from \$1,681M to \$2,373M. The schedule was extended by 23 months. He noted the team is looking at ways to make the construction accessible to the public given there are currently no public tours and are considering web cams, virtual tours and drones; (2) SEP New Headworks Facility Project: Project cost increased from \$619M to \$679M; and (3) Southeast Community Center 1550 Evans: Project cost \$114M.

Public Comment

- David Pilpel discussed Mr. Robinson's suggested use of drones with a reminder that the use of drones is regulated in part by the city's Surveillance and Drone Policies.
- Ali Altaha discussed the 40% overrun and cost increases and provided his thoughts for the cost increases, including bidding and the LBE program. He stated the SPUR report should be reviewed.

- *Francisco DaCosta stated the SSIP project started with \$6B. He stated the CSA Audit means nothing.*

e) Report on Recent San Francisco Public Utilities Commission Activities, Events and Announcements
None.

8. New Commission Business

Commissioner Harrington discussed the EWFS report provided by Ms. Boken and stated that perhaps the thinking isn't "big enough". He stated the EWFS assumes fires after a major earthquake and he indicated that most of the fires are due to ruptured natural gas lines. He stated the City has indicated that no new natural gas appliances can be installed and questioned if the City could provide funds to residents remove natural gas appliances, suggesting the reduction in natural gas lines will reduce the potential for fires as a result of an earthquake, along with reducing Greenhouse Gas (GHG) emissions. He stated the cost to retrofit would be much less than the cost of the EWFS. He requested that staff investigate the possibility.

VP Ajami asked that as part of the research, staff see if funds could be received from the state or other organizations for a collaborative effort.

Public Comment

- *Ali Altaha stated electricity comes from wind (solar and nuclear) and fossil fuel and that one way or another fossil fuel is burned if wind is not used. He stated the problem isn't being fixed but is passed on. He asked that the Commission search Mission Local for an article on the city Building Department directing contractors to run gas lines through concrete footing.*
- *Francisco DaCosta stated that there are many entities and that chefs need to be consulted. He stated the Department of the Environment has real-time empirical data on GHG emissions.*
- *Unidentified speaker stated no thought was given on the issue and stated that wires can fall and cause fires during an earthquake. He indicated converting gas to electric will cost \$8B to \$9B. He stated information needs to be provided for an informed decision.*

9. CONSENT CALENDAR

The Commission Secretary announced that item 9h was pulled from the Consent Calendar and will be rescheduled and that item 9f was removed for staff to present a minor edit to the resolution.

- a) Approve the terms and conditions of and authorize the General Manager to execute and enter into an Easement Amendment Agreement between the City of San Francisco, acting by and through the San Francisco Public Utilities Commission, with the Jefferson Elementary School District, an Elementary School District of the County of San Mateo, to permanently affix the currently unused SFPUC floating Pilarcitos pipeline easement of approximately 13,692 square feet over, upon and across that certain real property located at 305 Eastmoor Ave.,

Daly City, California, currently designated as San Mateo County Assessor's Parcel Number 008-082-160, and more commonly known as the "M.P. Brown Elementary School", at no cost to the SFPUC. ([Resolution 22-0002](#))

- b) Approve Modification No. 2 to Job Order Contract, JOC-53R3, Electrical (C-10-License), San Francisco, San Mateo, Santa Clara and Alameda Counties, with US Electric Technologies, Inc., to complete ongoing facility and asset improvements, increasing the contract amount by \$2,500,000, for a total not-to-exceed contract amount of \$7,500,000, in accordance with San Francisco Administrative Code 6.62, with no change to the contract duration. ([Resolution 22-0003](#))
- c) Award Job Order Contract, JOC-81, General Engineering (A-License) for San Francisco, San Mateo, Santa Clara and Alameda Counties, for a total contract amount not-to-exceed \$5,000,000 with a minimum guaranteed opportunity amount of \$50,000 and a contract duration of two years to the responsible bidder submitting the lowest responsive bid, Yerba Buena Engineering, to perform general engineering construction tasks for all San Francisco Public Utilities Commission Enterprise Operations and Bureaus. ([Resolution 22-0004](#))
- d) Award Job Order Contract, JOC-83R, General Building (B-License) for San Francisco, San Mateo, Santa Clara and Alameda Counties, for a total contract amount not-to-exceed \$5,000,000, with a minimum guaranteed opportunity amount of \$50,000, and a duration of two years, to the responsible bidder submitting the lowest responsive bid, Rubecon Builders, Inc., to perform general building construction tasks for all San Francisco Public Utilities Commission Enterprise Operations and Bureaus. ([Resolution 22-0005](#))
- e) Approve Amendment No. 1 to Agreement No. PRO.0054.D, As-Needed Wastewater and Stormwater Services, with Woodard & Curran, Inc./Hydroconsult Engineers, Inc., Joint Venture, to provide as-needed Wastewater and Stormwater Services; and authorize the General Manager to execute this amendment, increasing the agreement amount by \$2,000,000 and extending the agreement duration by two years and two months, for a total not-to-exceed agreement amount of \$7,000,000 and for a total duration of seven years and two months. ([Resolution 22-0006](#))
- f) Accept work performed by Shimmick Construction for Contract No. WD-2729, Fish Passage Facilities within the Alameda Creek Watershed Project, for a total contract amount of \$43,422,940, and with a total contract duration of 1,991 consecutive calendar days; and authorize final payment to the Contractor. ([Resolution 22-00011](#))
- g) Approve an increase in the amount of \$2,771,000 to the contract cost contingency and an increase of 207 calendar days to the contract duration contingency for Contract No. WD-2794B, Sunol Long Term Improvements Alameda Creek Watershed Center; and authorize the General Manager to approve future modifications to the contract for a total contract amount of up to \$33,105,700 and a

total contract duration of up to 966 consecutive calendar days. ([Resolution 22-0007](#))

Item 9h was removed from the Consent Calendar and will be rescheduled.

- h) Approve the plans and specifications and award Contract No. WD-2843, 16-, 12-, and 8-Inch Ductile Iron Water Main Replacement on Diamond St from 27th St to Diamond Heights Blvd, 28th and Duncan Sts from Douglass to Noe Sts, Valley St from Diamond to Noe Sts, and Noe St from Duncan To Valley Sts, in the amount of \$8,802,037, and with a duration of 663 consecutive calendar days, to the responsible bidder that submitted the lowest responsive bid, M Squared Construction Inc., to install 13,640 feet of ductile iron water conveyance pipe, ancillary water service pipe, curb ramps, and pavement restoration. This action constitutes the Approval Action for the Project for the purposes of the California Environmental Quality Act (CEQA) pursuant to Section 31.04(h) of the San Francisco Administrative Code. The Planning Department has determined that this action is exempt from the CEQA. If the item is approved, the Commission will rely on that determination to make its decision.
- i) Approve an increase of 153 calendar days to the contract duration contingency for Contract No. WD-2852R, San Francisco Westside Recycled Water Irrigation System Retrofits, with Fontenoy Engineering, Inc.; and authorize the General Manager to approve future modifications to the contract for a total contract duration of up to 620 consecutive calendar days, with no change to contract amount. ([Resolution 22-0008](#))
- j) Approve an increase of 325 calendar days to the contract duration contingency for Contract No. WW-697, As-Needed Main Sewer Replacement No. 8, with JDB & Sons Construction, Inc.; and authorize the General Manager to approve future modifications to the contract for a total contract duration of up to 765 consecutive calendar days, with no change to contract amount. This action constitutes the Approval Action for the three Contract Service Orders for the purposes of the California Environmental Quality Act (CEQA) pursuant to Section 31.04(h) of the San Francisco Administrative Code. The Planning Department has determined that this action is exempt from the CEQA. If the item is approved, the Commission will rely on that determination to make its decision. ([Resolution 22-0009](#))
- k) Approve the plans and specifications and award Contract No. WW-708, Various Locations Sewer Replacement No. 12, in the amount of \$3,682,947, and with a duration of 545 consecutive calendar days, to the responsible bidder that submitted the lowest responsive bid, Precision Engineering, Inc., to replace existing sewers on specified streets in the City and County of San Francisco. This action constitutes the Approval Action for the Project for the purposes of the California Environmental Quality Act (CEQA) pursuant to Section 31.04(h) of the San Francisco Administrative Code. The Planning Department has determined that this action is exempt from the CEQA. If the item is approved, the Commission will rely on that determination to make its decision. ([Resolution 22-0010](#))

Public Comment on Consent Calendar, excluding items 9f and 9h

- *Ali Altaha stated harsh words the Commission receives are due to frustration. He stated that there is LBE fraud on item 9e. He discussed Cornerstone Consulting and stated they are not included in the LBE directory.*
- *David Pilpel requested that where there are location specific projects a location map and photo be included with the agenda item.*

VP Ajami concurred with Mr. Pilpel and requested that maps be provided with agenda items.

*On Motion to approve the Consent Calendar, excluding items 9f and 9h:
Ayes: Moran, Ajami, Maxwell, Paulson and Harrington*

Item 9f:

Susan Hou, Project Manager, introduced the item and indicated that the fourth Whereas Clause had incorrect information provided for the contract date of completion and the number of consecutive calendar days and the Whereas Clause should read "1,991" consecutive calendar days and "September 30, 2021".

Public Comment on Consent Calendar Item 9h:

- *Francisco DaCosta noted the amount of the contract and stated that the presentation was unclear.*

*On Motion to approve the Consent Calendar item 9h as amended:
Ayes: Moran, Ajami, Maxwell, Paulson and Harrington*

10. Approve the term and conditions of, subject to Board of Supervisors approval, and authorize the General Manager to execute a no-fee, 10-year Right-of-Way Permit Renewal with the United States Department of the Interior, through the National Park Service, to operate and maintain radio communication facilities and equipment within Yosemite National Park. ([Resolution 22-0012](#))

Michael Carlin, Deputy General Manager (DGM), introduced the item and requested approval.

No public comment.

*On Motion to approve Item 10:
Ayes: Moran, Ajami, Maxwell, Paulson and Ajami*

11. Authorize the General Manager to execute, on behalf of the City and County of San Francisco, a Memorandum of Agreement (MOA) with the City of San Bruno to provide reimbursement for the planning, design, engineering and construction of an additional 1 MG of emergency water storage in San Bruno's pressure Zone 1/4 at the

Cunningham Tank site (“Tank 1”), for a total storage capacity of 3.5 MG as part of the operation of the Regional Groundwater Storage and Recovery (RGSR) Project. The MOA would require total payments of up to \$314,500 with a duration not-to-exceed 24 months. ([Resolution 22-0013](#))

AGM Ritchie stated the MOU is an element of the Groundwater and Storage Recovery Project Operations Agreement with the Wholesale Customers. He discussed the agreement and San Bruno’s need for additional storage.

Public Comment

- *David Pilpel asked if the SFPUC owns the current tank and who would own the new tank. He questioned if it is a right-of-way agreement and if the final project design will come back before the Commission for approval.*
- *Nicole Sandkulla, BAWSCA CEO, expressed support for the item.*

At the request of President Moran, AGM Ritchie responded to Mr. Pilpel’s question stating that San Bruno was going to build a 2.5-million-gallon tank and this action provides the opportunity to add \$1M to help pay for the expansion. He stated the tank will be owned by the City of San Bruno tank and that they will be conducting environmental review prior to construction.

On Motion to approve Item 11:

Ayes: Moran, Ajami, Maxwell, Paulson and Harrington

12. Approve the selection of APX Incorporated (APX), the sole responsive, responsible, and qualified proposer; award Agreement No. PRO.0152, Power Scheduling Coordination Services and Related Support Services, to APX to assist the San Francisco Public Utilities Commission with power scheduling coordination services needed to support the SFPUC’s participation in the California Independent System Operator (CAISO) electricity market, including the processing of SFPUC payments for wholesale electricity transactions; and authorize the General Manager to negotiate and execute a professional services agreement with APX for an amount not-to-exceed \$136,500,000, with payments to APX in an amount not-to-exceed \$6,000,000 for the scheduling coordinator services and \$130,500,000 in pass-through payments to the CAISO which will be processed by APX without a markup and with a duration of five years, subject to Board of Supervisors approval pursuant to Charter Section 9.118. ([Resolution 22-0014](#))

Barbara Hale, AGM Power, introduced the item and stated in order to participate in the California Independent System Operator (CAISO) electricity markets a certified scheduling coordinator recognized by CAISO is needed. She stated APX was the sole responsive and responsible and qualified proposer to the RFP. She discussed the two services required by the RFP - certified interface and passthrough payment of invoices. She reviewed the roles of the passthrough coordinator.

In response to a question from VP Ajami as to why only one bidder was received, she indicated that contract administration staff conducted their typical and comprehensive

outreach, with only one bidder responding.

Public Comment

- *Ali Altaha stated that no outreach was done. He discussed the San Francisco Business Tax and the contract amount.*

In response to a question from VP Ajami, AGM Hale stated that APX has been providing this service to the SFPUC since 2008 and that there was an increase in the passthrough cost. Suni Jones, Power Enterprise, stated that the contract has changed, in part, due to the evolution of the ISO market, the changing energy industry, and changing and growing needs of the SFPUC.

On Motion to approve Item 12:

Ayes: Moran, Ajami, Maxwell, Paulson and Harrington

13. Authorize the General Manager to execute a Memorandum of Understanding (MOU) with the San Francisco Recreation and Park Department (SFRPD) setting forth each agency's respective responsibilities for the construction, operation, and maintenance of green infrastructure in McLaren Park, as part of the construction by the Wastewater Enterprise Capital Improvement Program Upper Yosemite Creek Daylighting Early Implementation Project. ([Resolution 22-0015](#))

Greg Norby, AGM Wastewater Enterprise, introduced the item stating the MOU is with the SFRPD setting forth each agency's responsibilities for the construction, operation, and maintenance of green infrastructure in McLaren Park, as part of the construction by the Wastewater Enterprise Capital Improvement Program Upper Yosemite Creek Daylighting Early Implementation Project. He noted the significance of the project within the larger stormwater management program and green infrastructure, with the desire to achieve the most public benefit and he noted aspects of the project. He stated the SFRPD Commission approved the MOU in December 2021.

Eric Andersen, SFRPD, expressed SFRPD's support for the MOU and their excitement for the benefits of the project. He stated SFRPD staff have worked closely in developing roles and responsibilities during and after construction to ensure the project's success.

Commissioner Harrington noted the good work of the project. He thanked SFPUC and SFRPD staff for their work.

In response to a question from VP Ajami as to how performance will be monitored, Sarah Bloom stated the project, including the development of the monitoring plan, is in design but performance monitoring will be incorporated into the overall Green Infrastructure Monitoring Program and will be part of the partnership with the SF Estuary Institute data collection. VP Ajami again noted that site maps would be useful.

Public Comment

- *David Pilpel stated that page three of the staff report under “Environmental Review” did not include the Planning Department Case Number and asked that it be provided and linked. He requested that staff reports in the future indicate if it is an Approval Action for purposes of Chapter 31 or state if the Approval Action has already been taken. He suggested the resolution be amended to include the Planning Department Case Number. He noted it is a good example of a Green Infrastructure project.*

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 4:30 PM.

Present: Commissioners Moran, Ajami, Maxwell, Paulson, and Harrington; Michael Carlin, DGM, Ron Flynn, Chief-of-Staff, Sheryl Bregman, Deputy City Attorney, Theresa Mueller, Deputy City Attorney, Barbara Hale, AGM Power, Meg Meal, Power Enterprise, Pam Husing, Power Enterprise, Kristina Cordero, SFPUC Finance, Charles Perl, SFPUC Finance, Lee Sayao, SFPUC IT, and Donna Hood, Commission Secretary.

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

Conferring with, or receiving advice from, the City Attorney regarding the following existing litigation in which the City is a petitioner and Pacific Gas & Electric Company is an adverse party: City and County of San Francisco v. Federal Energy Regulatory Commission, (United States Court of Appeals, D. C. Circuit), No. 20-1313, petition for review filed August 17, 2020, consolidated with No. 20-1458, petition for review filed November 16, 2020; City and County of San Francisco v. Federal Energy Regulatory Commission, (United States Court of Appeals, D. C. Circuit), No. 20-1084, petition for review filed March 23, 2020; consolidated with No. 20-1297, petition for review filed August 3, 2020; In re: PG&E Corporation and Pacific Gas & Electric Company, United States Bankruptcy Court, Northern District of California, Case No. 9-30088-DM, filed January 29, 2019; Federal Energy Regulatory Commission Case No. EL 19-38- 000, filed January 28, 2019; Federal Energy Regulatory Commission Case No. ER18- 1482-000, filed April 30, 2018; Federal Energy Regulatory Commission Case No. ER18-1102-000, filed March 15, 2018; Federal Energy Regulatory Commission Case No. ER18-790-000, filed, February 2, 2018; Federal Energy Regulatory Commission Case No. ER18-768-000, filed January 31, 2018; Federal Energy Regulatory Commission Case No. ER18-198-000, filed October 31, 2017; Federal Energy Regulatory Commission

Case No. ER17-2406-000, filed August 31, 2017; Federal Energy Regulatory Commission Case No. ER17-2181-000, filed July 31, 2017; Federal Energy Regulatory Commission Case No. ER17-2204, filed July 31, 2017; Federal Energy Regulatory Commission Case No. ER17-1509-000, filed May 1, 2017; Federal Energy Regulatory Commission Case No. ER17-910-000, filed January 31, 2017; Federal Energy Regulatory Commission Case No. EL 15-3-000, filed October 10, 2014; Federal Energy Regulatory Commission Case No. ER15-702-000, filed December 23, 2014; Federal Energy Regulatory Commission Case No. ER15-703-000, filed December 23, 2014; Federal Energy Regulatory Commission Case No. ER15-704-000, filed December 23, 2014; Federal Energy Regulatory Commission Case No. ER15-705-000, filed December 23, 2014; Federal Energy Regulatory Commission Case No. ER15-735-000, filed December 23, 2014; California Public Utilities Commission Case No. 1.15-08-019, filed February 25, 2015; California Public Utilities Commission Case No. R.18-10-007, filed October 25, 2018; California Public Utilities Commission Case No. R.19-01-006, filed January 10, 2019; California Public Utilities Commission Case No. R.19-09-016, filed January 10, 2019; and California Public Utilities Commission Case No. P. 21-07-012, filed July 27, 2021

The Commission exited Closed Session at 5:37 PM.

17. Announcement following Closed Session

President Moran stated there was not reportable action taken during Closed Session.

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 the discussions during Closed Session:
Ayes: Moran, Ajami, Maxwell, Paulson and Harrington*

19. Adjournment

President Moran adjourned the meeting at 5:38 PM.

San Francisco Public Utilities Commission
525 Golden Gate Avenue, 13TH Floor
San Francisco, CA 94102