



SAN FRANCISCO PUBLIC UTILITIES COMMISSION
City and County of San Francisco

London N. Breed
Mayor

MINUTES
Tuesday, July 28, 2020
1:30 P.M.
(Approved August 25, 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

Ann Moller Caen, President
Francesca Vietor, Vice President
Anson Moran
Sophie Maxwell
Tim Paulson

Harlan L. Kelly, Jr.
General Manager

Donna Hood
Secretary



1. Call to Order

President Caen called the meeting to order at 1:31 PM.

2. Roll Call

Present: Caen, Vietor, Moran, and Maxwell

Commissioner Paulson joined the meeting at 1:33 PM

3. Approval of the Minutes of July 14, 2020

On motion to approve the Minutes of July 14, 2020

Ayes: Caen, Vietor, Moran, Maxwell, and Paulson

No public comment.

4. General Public Comment

- Eileen Boken discussed the Capital Program budget for the Auxiliary Water Supply System on Taraval. She noted the duration of environmental review and potable water option.
- Bill Martin discussed the lawsuit between the State Water Board, fisheries and environmental organizations; and FERC, MID and TID actions.
- Alita Dupree stated a municipal utility district is needed for electricity. She discussed the need for electrification of kitchens and that bill on-line and/or autopay is needed.
- Anietie Ekanem, Chair San Francisco Citizens' Advisory Committee (CAC) thanked the Commission for acting quickly for San Francisco citizens and customers via the rate relief and customer assistance programs.
- Jackie (inaudible), San Carlos, discussed the need for an update to the Crystal Springs Regional Trail and safe crossing for cyclists.
- Sonia Elks, San Carlos, discussed the need for an update to the Crystal Springs Regional Trail to ensure safety for cyclists.
- Elaine Salinger discussed the need for an update to the Crystal Springs Regional Trail and opening of fire roads to ensure safety for cyclists.
- Anietie Ekanem, CAC Chair, with the approval of the Commission President, continued his comments and offered to work with the Commission on issues with extending the CAP program past the deadline and to expand participation.
- Andrew Shue discussed the need for an update to the Crystal Springs Regional Trail to ensure safety for cyclists.
- Harry Bernstein discussed the amended access easement agreement for the Balboa Reservoir Development Project.
- Francisco DaCosta stated there are problems with virtual hearings. He discussed the Balboa Reservoir Development Project.

5. Communications

- a) Contract Advertisement Report
- b) Correspondence Log
- c) Water Supply Conditions Update

No public comment.

6. Report of the General Manager (GM)

a) Update on SFPUC Operations During COVID-19 Emergency

GM Kelly provided an update on SFUC operations during COVID-19 emergency. He discussed the pausing of the reopening plan and stated that San Francisco is under State monitoring for increased COVID-19 activity. He indicated SFPUC policies and practices are evolving. He noted the SFPUC's third agency-wide meeting will be conducted in the next week to provide information and update to employees. He stated the emergency financial assistance program has been expanded to include additional customers and provided an update on enrollment figures.

He stated the SFPUC has launched virtual tours which will be conducted through September. Those interested can register at: sfwater.org/virtualexplorations.

No public comment.

b) Annual Real Estate Update

Rosanna Russell, SFPUC Real Estate Director, provided the update beginning with a review of the mission and role of the Real Estate Division. She continued with a review of key projects, including Balboa Reservoir Project, 2000 Marin/639 property exchange, Water Quality protection land purchase, Wool Ranch purchase, Mitchell Ranch purchase, Driscoll Ranch purchase, and 2 Rankin. She continued noting new initiatives.

Director Russell responded to a question from Commissioner Maxwell regarding improvements made on property, such as the Mitchell Ranch, which has a house on property and as to how staff housing on property is allocated, how rent is determined, and the number of properties held by the SFPUC.

Director Russell responded to a question from President Caen as to SFPUC position regarding encroachment on SFPUC properties. Deputy General Manager Carlin responded to an additional question from President Caen regarding lease and license expenditures and the need for a consultant.

Public Comment

- *Harry Bernstein requested the names of individuals who were involved in the designation of Balboa Reservoir as surplus. He asked about other lawsuits other than the CEQA appeal.*

c) CleanPowerSF (CPSF) Integrated Resource Plan (IRP)

Mike Hyams, CPSF Director, presented the IRP, indicating that CPSF is required under state law to prepare an IPR every two years. He stated an IRP evaluates demand and supply scenarios over a 20-year timeframe to identify the lowest cost at which a utility can deliver reliable energy to its customers and meet policy objectives.

Director Hyams reviewed (1) program power content goals and progress to date – 50% RPS-eligible renewable by 2020 and 100% renewable by 2030, (2) IRP objectives - environment, cost, and local investment; reviewed CPSF IRP modeling

four portfolios, (3) CPSF IRP modeling sensitivities, (4) CPSF preferred portfolio, and (5) virtual community power updates.

Director Hyams responded to a question from Vice President (VP) Vietor regarding the Venn diagram (page 4) and questioned the need for a fourth circle for jobs creation. VP Vietor expressed interest in green energy jobs. Brief discussion ensued.

Director Hyams responded to a question from Commissioner Maxwell regarding the meaning of “scenario sensitivity development”. She asked that such terms be clearly defined. He responded to a follow-up question regarding the goals of community participation.

Mr. Hyams responded to a question from President Caen regarding counting large hydro as renewable.

Public Comment

- Jed Holtzman, 360 Bay Area, discussed sensitivity analysis. He encouraged more community meetings.
- Alita Dupree recommend an aggressive stance with acquisition of renewables. She supports an electrification ordinance and stated that renewable should be based on solar and wind.
- Melissa Yew recommend the fourth portfolio have a lower MMT case.

d) General Manager Contract Delegation of Authority Report

Greg Lyman noted there was one sole source contract on the report which received GM delegation.

No public comment.

e) Water Enterprise Capital Improvement Program (CIP) Quarterly Report

Katie Miller, Acting Director, Water Capital Programs, provided the Water Enterprise CIP program status, indicating \$1,444M has been expended and is 35% complete. She presented: highlights of the reporting period, reviewed the status of the Sunol Long-Term improvements, Sunol Valley Water Treatment Plan Ozone, Dam Projects (San Andreas and Pilarcitos Reservoirs), San Francisco Groundwater Supply, San Francisco Westside Recycled Water, San Francisco main replacement, and emergency firefighting water system.

President Caen questioned why the report does not include all the expenditures accrued for the work completed from July 1, 2017 through March 31, 2020. Acting Director Miller provided response indicating it was due to challenges associated with the migration of the City financial system and that accurate information from city departments is not being received. Kathy How, AGM Infrastructure, stated the only missing charges are from Public Works and that staff is working on obtaining project-by-project information. GM Kelly provided additional response.

No public comment.

f) Southeast Plant Biosolids Project, Jerrold Avenue Closure, Planning and Community Engagement

Carolyn Chiu noted the reasons for the Jerrold Avenue closure are for safety, efficiency, and security. She reviewed tools to help minimize traffic impacts, reviewed the approach to the Jerrold Avenue closure, and outlined the outreach and engagement plan.

Public Comment

- *Francisco DaCosta stated mixed signals are being sent and that there are no standards.*

VP Vietor asked that a point person(s) and phone numbers be made accessible to those in the community who are interested in obtaining information on the closure.

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

None.

7. Ocean Beach Climate Adaption Update

Anna Roche presented the Ocean Beach Climate Adaption update noting it is in response to a May 14, 2020 Surfrider letter. She discussed (1) climate change induction erosion, (2) wastewater infrastructure risk, (3) Ocean Beach Climate Adaption Project phases, (4) short-term improvements, (5) Army Corps of Engineers sand nourishment, (6) long-term improvements, Great Highway closure from Sloat to Skyline to create open space, (7) conceptual engineering, (8) open space and public access and strategy refinement, (9) design and environmental schedules, (10) budget, and (11) citywide climate change efforts.

VP Vietor expressed excitement for the timeline and commitment to the project.

Commissioner Paulson stated he was pleased to see multiple departments working together on the project. At his request, Ms. Roche provided information on the traffic design which will result from the permanent closure of Sloat to Skyline.

No public comment.

8. Bay Area Water Supply and Conservation Agency (BAWSCA) Update

Nicole Sandkulla, BAWSCA CEO, reviewed BAWSCA's recently completed asset management program audit of SFPC. She reviewed five core questions for sustainable asset management (current asset state, required level-of-service, risk level, O&M and CIP investment strategies, and long-term financing strategy. She described primary audit criteria used, focusing on two (1) IT capabilities to support asset management, and (2) Service level. She presented two of the conclusions (1) SFPUC embraces the basic principles of asset management within Water Supply and Treatment (WST) and Hetch Hetchy Water and Power (HHWP) Divisions, and (2) guiding direction exists at

the management levels, but WST and HHWP are at different levels of implementation and in some areas are not consistent in their implementation of certain principles. She presented general recommendations for the SFPUC to implement within the next one-to-three years, and within the next three-to-five years. She stated that BAWSCA will continue to pursue oversight of SFPUC asset management.

No public comment.

The Commission recessed at 3:54 PM and reconvened at 4:08 PM.

9. New Commission Business

None.

10. Consent Calendar

- a) Accept work performed by Sierra Mountain Construction Inc. for Contract No. HH-995, Hetch Hetchy & Cherry Lake Road Guardrail Improvement, for a total contract amount of \$1,824,761 and with a total contract duration of 344 consecutive calendar days; and authorize final payment to the contractor. ([Resolution 20-0154](#))
- b) Approve Modification No. 1 to Job Order Contract (JOC) No. JOC-70, General Engineering (A-License) for San Francisco, San Mateo, Santa Clara and Alameda Counties, with Hernandez Engineering, to complete ongoing facility and asset improvements, increasing the contract amount by \$2,500,000 for a total contract amount not-to-exceed \$7,500,000, and increasing the contract duration by 1,095 consecutive calendar days for a total contract duration of 1,825 consecutive calendar days, in accordance with San Francisco Administrative Code 6.62. ([Resolution 20-0155](#))
- c) Approve Modification No. 1 to Job Order Contract, (JOC) No. JOC-76R, General Engineering (A-License) for San Francisco, San Mateo, Santa Clara and Alameda Counties, with Anvil Builders, Inc., to complete ongoing facility and asset improvements, increasing the contract duration by 1,095 consecutive calendar days (three years), for a total contract duration of 1,825 consecutive calendar days (five years), in accordance with San Francisco Administrative Code 6.62, with no change in the contract amount. ([Resolution 20-0156](#))
- d) Approve an increase of \$1,500,000 to the existing contract cost contingency for Contract No. WD-2687R, Auxiliary Water Supply System Pumping Station No. 2 Improvements (2016); and authorize the General Manager to approve future modifications to the contract for a total contract not-to-exceed amount of up to \$21,244,038. ([Resolution 20-0157](#))
- e) Accept work performed by M. Hernandez Construction, Inc. for Contract No. WW-622, Haight-Ashbury/Tenderloin/Diamond Heights Districts Sewer Replacement and Paving Renovation; approve Modification No. 9 (Final), decreasing the contract amount by \$528,755, for a total contract amount of \$4,450,447, and increasing the contract duration by 201 consecutive calendar days, for a total contract duration of

886 consecutive calendar days; and authorize final payment to the contractor (Resolution 20-0158)

- f) Accept work performed by J. Flores Construction, Inc. for Contract No. WW-646, As-Needed Spot Sewer Replacement No. 36, for a total contract amount of \$9,354,642, and a total contract duration of 400 consecutive calendar days; and authorize final payment to the Contractor. (Resolution 20-0159)
- g) Approve an increase of 140 consecutive calendar days to the contract duration contingency for Contract No. WW-655, As-Needed Main Sewer Replacement No. 7, and NTP for Contract No. WW-697, with Precision Engineering, Inc.; and authorize the General Manager to approve future modifications to the contract for a total contract duration of up to 580 consecutive calendar days, with no change to contract amount. (Resolution 20-0160)

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

No public comment.

11. Authorize implementation in October 2020 of a one-time customer assistance bill credit for the following types of CleanPowerSF customers who are enrolled in the California Alternate Rates for Energy (CARE) or Family Electric Rate Assistance (FERA) low-income programs by September 30, 2020: (1) a credit of \$50 for single-family residential customers, (2) a credit of \$3,000 for multi-family residential customers, and (3) a credit of \$750 for non-profit small-commercial customers. (Resolution 20-0161)

Mike Hyams introduced the item and discussed the proposed program credits. He noted it is a one-time credit which will appear on customer bills in October.

Mr. Hyams responded to a question from Commissioner Maxwell as to the budget for the credits.

Mr. Hyams responded to a question from Commissioner Moran as to whether the credits are proportional to the amount of energy individual customers use, and a question as to how much disparity there is between classes.

Public Comment

- *Alita Dupree expressed support for a fixed credit. She wants an outreach program to customers regardless if they are CleanPowerSF customers or not.*

On motion to approve item 11:

Ayes: Caen, Vietor, Moran, Maxwell, and Paulson

12. Authorize the General Manager to temporarily suspend through January 15, 2021 the following rules due to the COVID-19 emergency: (a) the discontinuation or shut off of water service for City retail customers for non-payment of water and/or sewer bills, (b)

the imposition of late payment penalties or fees for delinquent water and/or sewer bills, (c) the discontinuation or shut off of power service for SFPUC Hetch Hetchy Power Customers in San Francisco for non-payment of power bills, (d) the imposition of late payment penalties or fees for delinquent Hetch Hetchy Power Customer accounts, and (e) the return of delinquent CleanPowerSF Customers to PG&E generation service for failure to pay CleanPowerSF charges. ([Resolution 20-0162](#))
Erin Franks, Rates Administrator, introduced the item and discussed the need for the suspension of rules in order to maintain critical services to customers during the COVID-19 emergency. She noted the temporary suspension would last through January 15, 2021.

On motion to approve item 12:

Ayes: Caen, Vietor, Moran, Maxwell, and Paulson

No public comment.

13. Approve the plans and specifications, and award Contract No. WW-662R, Southeast Water Pollution Control Plant Power Feed and Primary Switchgear Upgrades, in the amount of \$30,744,200 and with a duration of 1,170 consecutive calendar days to the responsible bidder submitting the lowest responsive bid, Blocka Construction, Inc., to upgrade the existing primary switchgear, substations, and related electrical system at the Southeast Water Pollution Control Plant and nearby facilities. This action constitutes the Approval Action for the project for the purposes of California Environmental Quality Act, pursuant to Section 31.04(h) of the San Francisco Administrative Code. ([Resolution 20-0163](#))

AGM How introduced the item and requested approval.

She responded to a question from Commissioner Maxwell as to why the bids received were under the engineer's estimate.

On motion to approve item 13:

Ayes: Caen, Vietor, Moran, Maxwell, and Paulson

No public comment.

14. Approve an increase of \$6,140,764 to the existing contract cost contingency for Contract No. WW-682R, Southeast Community Center at 1550 Evans; and authorize the General Manager to approve future modifications to the contract for a total contract amount of up to \$84,440,142, with no change to contract duration. ([Resolution 20-0164](#))

Kathy How introduced the item and requested approval.

AGM How responded to a question from President Caen as to whether the contract was rebid.

On motion to approve item 14:

Ayes: Caen, Vietor, Moran, Maxwell, and Paulson

No public comment.

15. Approve the plans and specifications, and award Contract No. WW-693, As-Needed Spot Sewer Replacement No. 40, in an amount not-to-exceed \$9,689,823, and with a duration of 400 consecutive calendar days, to the sole, qualified, responsible bidder, J. Flores Construction Company, Inc., in accordance with San Francisco Administrative Code 6.23(c)(2), to replace sections of existing sewer piping, on an as-needed basis, at locations to be determined throughout the City of San Francisco. ([Resolution 20-0165](#))

AGM How introduced the item and requested approval. She noted extensive outreach was conducted, but that only one bid was received.

AGM How responded to a question from AGM How as to why only one bid was received. Brief discussion ensued.

Commissioner Paulson offered possible reasons behind the single bid.

On motion to approve item 15:

Ayes: Caen, Vietor, Moran, Maxwell, and Paulson

No public comment.

16. Authorize the General Manager of the San Francisco Public Utilities Commission to execute a Cooperative Agreement between the SFPUC and The Energy Council for the implementation of the Bay Area Regional Heat Pump Water Heater Contractor Incentive Program, for an amount not to exceed \$450,000 and a term expiring on March 31, 2023. ([Resolution 20-0166](#))

Barbara Hale, AGM Power, introduced the item. She reviewed participating agencies and their roles (startup and training funding) and (incentive and administrative funding). She reviewed the agreement between the SFPUC and the Energy Council.

AGM Hale responded to a question from Commissioner Maxwell regarding workforce development, training, and the opportunity for green jobs.

VP Vietor expressed support for the item and stated she likes the partnerships and incentives.

AGM Hale thanked Julia Allman and Mike Hyams for their work on the item.

Public Comment

- Alita Dupree expressed support for the item stated she hopes this is the start of something bigger and. She stated that heat pumps are efficient and save money.*
- Jed Holtzman, 350 Bay Area, concurs with comments made by Alita Dupree. He stated water heaters cause indoor air pollution problems. He noted other agencies/municipalities efforts in this area.*
- Joanie Eisen expressed support for the item and for training to contractors to install heat pump water heaters.*

On motion to approve item 16:

Ayes: Caen, Vietor, Moran, Maxwell, and Paulson

17. Approve the terms and conditions of, and authorize the General Manager to execute, a Redesign, Relocation, and Reimbursement Agreement with the Peninsula Corridor Joint Powers Board (JPB) to reimburse the JPB for the costs to redesign and relocate two planned electrical poles to a location outside of SFPUC Parcel No. 205-A near Escuela Avenue and Crisanto Avenue in Mountain View, California, pursuant to an Easement Deed, at a cost to the SFPUC not to exceed \$216,132. ([Resolution 20-0167](#))

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

On motion to approve item 17:

Ayes: Caen, Vietor, Moran, Maxwell, and Paulson

No public comment.

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: Caen, Vietor, Moran, Maxwell, and Paulson

The Commission entered Closed Session at 5:05 PM.

20. Conference with Legal Counsel - Pursuant to California Government Code Section 54956.9 (d) (2) and San Francisco Administrative Code Section 67.10 (d) (2)
Existing Unlitigated Claim
Richard I. Klein and Janice T. Low v. City and County of San Francisco
Unlitigated File No.: 20-01450 / Date Filed: December 21, 2019
Proposed settlement of unlitigated claim with claimant's release of all claims and the City to pay claimant \$103,786.91.
(Resolution 20-0168)

21. Conference with Legal Counsel - Pursuant to California Government Code Section 54956.9 (d) (4) and San Francisco Administrative Code Section 67.10 (d) (2)
Anticipated Litigation as Plaintiff

The Commission exited Closed Session at 5:47 PM.

22. Announcement following Closed Session

President Caen announced that the Commission recommends item 20 for Board of Supervisor's Approval. No other action was taken.

23. 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: Caen, Vietor, Moran, Maxwell, and Paulson

24. Adjournment
President Caen adjourned the meeting at 5:47 PM.