



SAN FRANCISCO PUBLIC UTILITIES COMMISSION
City and County of San Francisco

Daniel Lurie
Mayor

REGULAR MEETING MINUTES
Tuesday, January 14, 2025
1:30 PM
(Approved January 28, 2025)

1 Dr. Carlton B. Goodlett Place
City Hall, Room 400

Commissioners

Kate H. Stacy, President
Joshua Arce, Vice President
Avni Jamdar
Stephen E. Leveroni

Dennis J. Herrera
General Manager

Tiffany Lennear
Director of Commission Affairs

ORDER OF BUSINESS

1. Call to Order

President Stacy called the meeting to order at 1:31 P.M.

2. Roll Call

Present: Stacy, Arce, Jamdar, and Leveroni

3. Approval of the Minutes of December 10, 2024

No public comment provided.

On motion to approve the minutes of December 10, 2024

Ayes: Stacy, Arce, Jamdar, and Leveroni

4. General Public Comment

- *Francisco DaCosta provided comment relating to the reservoirs, the effect of the California wildfires, and urged the Commissioners to read the Emerson document.*
- *Jason Foster provided comment on the December 20th San Francisco Budget and Legislative Analyst Performance Audit of the SFPUC.*
- *Mary Butterwick provided comment relating to the flow standards of the Tuolumne River.*
- *Dave Warner provided comment relating to Water Enterprise budget planning.*
- *Peter Drekmeier provided comment relating to change orders, cost overruns, and the Tuolumne River.*

5. SFPUC Citizens' Advisory Committee 2023-2024 Annual Report to the Commission

Moisés Garcia, CAC Chair presented Item 5.

- *Jody Sobel, District Five and CAC member, provided comment relating to the Treasure Island and Yerba Buena power issue.*
- *Dave Warner provided comment relating to his appreciation of the CAC and their work.*
- *Peter Drekmeier provided comment relating to his appreciation for CAC and Moises Garcia as the CAC Chair, and the benefit provided when commissioners attend CAC meetings.*

6. Report of the General Manager (discussion only)

a) Interim Financing Program Introduction

Nikolai Sklaroff, Capital Finance Director, presented Item 6a.

No public comment provided.

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

No report provided.

7. CONSENT CALENDAR

- a) Approve Amendment No. 2 to Contract No. PRO.0017, O'Shaughnessy Outlet Works, with Black & Veatch Corporation, increasing the contract not-to-exceed amount by \$1,500,000, and extending the contract duration by 1.5 years, for a total not-to-exceed contract amount of \$5,250,000 and a total contract duration of 9.5 years, to continue providing engineering design and support services for drainage system improvements to address dam leakage, design for rehabilitation or replacement of the drum gates and slide gates, design of the new diversion pipe isolation valve, and supporting design of the new bulkhead system for the O'Shaughnessy Dam. (25-0001)
- b) Approve an increase of 60 calendar days to the duration contingency for Contract No. HH-1009, San Joaquin Pipeline Valve and Safe Entry Improvements Phase 3 Tesla Surge Tower, with Mountain Cascade Inc., for a revised duration limit of 557 calendar days (approximately one year and seven months), with no change to contract amount, to complete the installation of a culvert in a drainage during the 2025 dry season to meet the new California Department of Fish and Wildlife requirements. (25-0002)
- c) Approve Modification No. 1 to Job Order Contract No. JOC-93, General Engineering (A License) Construction, San Francisco, San Mateo, Santa Clara, and Alameda Counties, with M. Hernandez Construction, Inc., (dba) Hernandez Engineering, to increase the contract not-to-exceed amount by \$2,500,000, for a revised contract not-to-exceed amount of \$7,500,000, and to increase the contract duration by three years, for a total contract duration of five years, to provide additional time and capacity for facility and asset improvements. (25-0003)
- d) Award Contract No. PRO.0298, Customer Care and Billing Transformation, to TMG Utility Advisory Services, Inc., in the amount of \$8,000,000 and with a duration of four years, to provide consultant services to support updates to the San Francisco Public Utilities Commission's existing electronic customer care and billing system and its Customer Service Bureau's business processes. (25-0004)
- *Jason Foster provided comment relating to Items 7a, 7c, and 7d.*

*On motion to approve Consent Calendar Items 7a through 7d:
Ayes: Stacy, Arce, Jamdar, and Leveroni*

REGULAR CALENDAR

8. Approve the terms and conditions of and authorize the General Manager to execute Amendment No. 1 to the Radio Communications Site Lease dated April 1, 2015, between the City and County of San Francisco, through its San Francisco Public Utilities

Commission, as tenant, and Communication and Control, Inc., to allow the SFPUC to expand the leased premises and operate additional radio communication equipment on the tower located on the premises for an initial Monthly Base Rent of \$9,080 for the lease of the premises, and a Monthly Base Rent of \$3,366 for the placement of SFPUC facilities subject to the Board of Supervisors' and Mayor's approval. This action constitutes the Approval Action for the Project and for the purposes of the California Environmental Quality Act (CEQA), pursuant to San Francisco Administrative Code section 31.04(h). The Planning Department has determined that the Project is exempt from the CEQA. The Commission will rely on that determination to make its decision on this action. (25-0005)

Joshua Keene, Real Estate Asset and Finance Manager, presented Item 8.

No public comment provided.

On motion to approve Item 8:

Ayes: Stacy, Arce, Jamdar, and Leveroni

9. Public Hearing under Administrative Code Section 3.3(b)(1): Fiscal Year 2025-26 Budget Priorities Review of budget priorities for upcoming Fiscal Year 2025-26, the second year of the two-year fixed budget for the San Francisco Public Utilities Commission, as required under San Francisco Administrative Code Section 3.3(b)(1). DISCUSSION ONLY. (Hom)

Laura Busch, Deputy Chief Financial Officer, presented Item 9.

- *Dave Warner provided comment relating to the 10-Year Capital Plan.*

10. Adopt a Refined Mitigation Monitoring and Reporting Program pursuant to the California Environmental Quality Act; Approve Project No. 10039505, SEP-7 Operations, Engineering, and Maintenance Buildings, to replace building SEP 850 and trailers SEP 850A and 850B located on the north campus of the Southeast Treatment Plant; and authorize staff to proceed with actions necessary to implement the Project; including issuance of the Notice-to-Proceed for the Construction Phase pursuant to the Construction Manager/General Contractor (CM/GC) Contract No. WW-750. (25-0006)

Robert Mau, Senior Project Manager, presented Item 10.

No public comment provided.

On motion to approve Item 10:

Ayes: Stacy, Arce, Jamdar, and Leveroni

11. Approve Modification No. 17 to Contract No. HH-1000R, Mountain Tunnel Improvements Project, with Mountain Tunnel Constructors, Inc., decreasing the contract amount by \$15,727,083, for a new total contract amount of \$132,876,212, to remove

scope of work from the contract to be completed under separate future contract(s); and approve an increase of \$13,029,702 to the cost contingency for the contract, for a new total cost contingency of \$17,296,914, and a revised cost limit of \$150,173,126, to account for additional tunnel lining repair, a new concrete final lining for the Priest Adit, and other additional contingency increases within the contract, with no change to the contract duration. (25-0007)

Randy Anderson, Project Manager, presented Item 11.

- *Jason Foster provided comment relating to concerns over the plan and work scope.*

On motion to approve Item 11:

Ayes: Stacy, Arce, Jamdar, and Leveroni

12. Approve increases of \$2,300,000 to the cost contingency and 205 calendar days to the duration contingency for Contract No. HH-1012, San Joaquin Pipeline Valve and Safe Entry Improvements Phase 2A, with Sierra Mountain Construction Inc., for a revised cost limit of \$8,462,200 and a revised duration limit of 668 consecutive calendar days (approximately two years and 10 months), to allow for the pre-purchase, quality assurance, and lead time of seven large diameter valves and actuators for Phase 2B work, which will take place under another contract during the upcoming 2025-2026 planned system outage. (25-0008)

Jimmy Leong, Principal Engineer, presented Item 12.

No public comment provided.

On motion to approve Item 12:

Ayes: Stacy, Arce, Jamdar, and Leveroni

13. Approve Amendment No. 1 to Contract No. PRO.0120, Engineering Services for Sunol Valley Water Treatment Plant Ozonation, with CDM Smith, Inc., increasing the contract not-to-exceed amount by \$9,600,000, for a total contract not-to-exceed amount of \$24,600,000, and increasing the contract duration by four years, for a total contract duration of 10 years, to provide continued engineering support during construction and closeout services for Contract No. WD-2897, Sunol Valley Water Treatment Plant Ozonation, and Contract No. WD-2909, Sunol Valley Water Treatment Plant Short-Term Improvements, and additional activities in support of operations and maintenance including developing standard operating procedures, providing operator training, assisting with asset management and preventative maintenance plans, and conducting additional water treatability testing, subject to the Board of Supervisors' approval pursuant to Charter Section 9.118. (25-0009)

Bryan Dessauere, Project Manager, presented Item 13.

No public comment provided.

*On motion to approve Item 13:
Ayes: Stacy, Arce, Jamdar, and Leveroni*

14. COMMUNICATIONS (information only)

- a. Advance Calendar
- b. Contract Advertisement Report
- c. Correspondence Log
- d. Water Supply Conditions Update
- e. Annual Municipal Energy Benchmarking Report
- f. O'Shaughnessy Dam Reservations Quarterly Report – Q3 and Q4 2024
- g. Power Quarterly Report on Delegated Authority Contracts Pursuant to Administrative Code Section 21.43

15. Items initiated by Commissioners (discussion only)

No items were approved.

16. Public Comment on the matter to be addressed during Closed Session

No public comment provided.

17. Motion on whether to assert the attorney-client privilege regarding the matters listed below:

*On motion to assert the attorney-client privilege:
Ayes: Stacy, Arce, Jamdar, and Leveroni*

The Commission entered Closed Session at 3:51 P.M.

CLOSED SESSION

SFPUC Officials and Staff members present during Closed Session: Kate Stacy, Commission President; Joshua Arce, Commission Vice President; Commissioner Avni Jamdar; Commissioner Stephen Leveroni; Ron Flynn, Deputy General Manager; Sheryl Bregman, General Counsel; Steve Ritchie, Assistant General Manager; Jannie Ram, Executive Assistant; and Tiffany Lennear, Director of Commission Affairs.

CONFERENCE WITH LEGAL COUNSEL regarding anticipated litigation (Government Code §54956.9, Administrative Code §67.10(d):

Hanover Insurance Company v. City and County of San Francisco

Unlitigated Claim File No.: 24-01527

Date Filed: February 15, 2024

Proposed settlement of an unlitigated claim for property damage resulting from a water

main break with the City to pay Hanover Insurance Company \$265,909, in exchange for a full and final release, subject to final approval by the Board of Supervisors.

(Action Item) (25-0010)

The Commission exited Closed Session at 4:03 P.M.

18. Announcement following Closed Session

President Stacy stated that the Commission recommends the Board of Supervisors approve the settlement referenced under Item 17.

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

On motion not to disclose:

Ayes: Stacy, Arce, Jamdar, and Leveroni

20. Adjournment

President Stacy adjourned the meeting at 4:05 P.M.