



SAN FRANCISCO PUBLIC UTILITIES COMMISSION
City and County of San Francisco

London N. Breed
Mayor

REGULAR MEETING MINUTES
Tuesday, August 22, 2023
1:30 PM
(Approved September 20, 2023)

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

Commissioners

Newsha Ajami, President
Sophie Maxwell, Vice President
Tim Paulson
Anthony Rivera
Kate H. Stacy

Dennis J. Herrera
General Manager

Donna Hood
Commission Secretary

1. Call to Order

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

2. Roll Call

Present: Ajami, Maxwell, and Stacy

Excused: Paulson and Rivera

The Commission Secretary announced that item 8 was pulled from the calendar and will be rescheduled and announced that there would be no Closed Session.

President Ajami announced that Brad Taylor, Manager of the SFPUC's Technical Operations Team and the "voice" behind the Commission's public comment has left the SFPUC to pursue other opportunities. President Ajami thanked Brad for his work, especially during COVID and for his ability to quickly implement remote meetings and subsequent hybrid meetings. She wished him well in his future endeavors. She thanked Lee Sayao for his continued assistance and welcomed Irene Cen and Mandy Ngan to the team.

3. Approval of the Minutes of August 8, 2023

No public comment.

On motion to approve the Minutes of August 8, 2023:

Ayes: Ajami, Maxwell, and Stacy

4. Report of the General Manager

a) Quarterly Audit and Performance Review Report

Irella Blackwood, Audit Director, indicated that for FY 2022-23 there have been 39 audits and assessments with 18 completed (46%), 15 in progress (39%), and six upcoming (15%). She noted audits completed and reports issued. Director Blackwood discussed current Board of Supervisors Budget and Legislative Analysis (BLA) audits: (1) Chapter 6 Delegated Authority Procurement Audit (performance audit of SFPUC's procurement of public works contracts pursuant to the delegated authority under Chapter 6 of the City's Administrative Code which focused on the prior three fiscal years); (2) BLA Conflict of Interest Audit (performance audit as directed by the Board of Supervisors as to how conflict of interests are managed and prevented); and (3) Recent SFPUC audit activities.

Director Blackwood indicated there are 23 open City Services Auditor audits and recommendations and she informed the Commission of those audits that are completing and upcoming.

In response to a question from Vice President (VP) Maxwell, Director Blackwood indicated that the Chapter 6 Delegated Authority Procurement occurs approximately every three years. She noted she is working with the Board of Supervisors on overlaps of requested information.

No public comment.

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

Announcements

None.

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

Nicole Sandkulla, BAWSCA CEO provided an update for BAWSCA's Regional Reliability Roundtable which provided an opportunity for collaboration among interested stakeholders. She discussed goals of the Roundtable and noted the report is available at the following [website](#).

CEO Sandkulla indicated four workshops were held between May 2022 and February 2023, each with a different theme (Demystifying the One Water Concept, Regional Partnerships, Identifying Local One Water Projects, and Moving Forward). She stated invitees included a wide range of participants and each workshop featured guest speakers, highlighted a specific topic of interest, included interactive polls, and shared information on planned future projects. She stated identified future projects have the potential to offer added water supply reliability for the region. She concluded with a review of roundtable workshop findings and next steps.

Commissioner Stacy thanked CEO Sandkulla for her presentation and collaborative work. She requested clarification on "other" projects which CEO Sandkulla stated is in the report and that she would provide.

CEO Sandkulla responded to a question from President Ajami as to whether there were any opportunities or recommendations that came out of discussions with partners during the workshops. Brief discussion ensued.

Public Comment

- Peter Dreke, Policy Director, Tuolumne River Trust discussed the Roundtable and expressed appreciation for the process. He commended BAWSCA for their Regional Projected Amendment Update and discussed demand drivers. He asked that the SFPUC follow BAWSCA's lead.*

6. CONSENT CALENDAR

a) Award Job Order Contract No. JOC-97, General Engineering (A License) Construction, San Francisco, San Mateo, Santa Clara, and Alameda Counties, in the amount not-to-exceed \$5,000,000, with a guaranteed minimum task order opportunity amount of \$50,000, and a duration of two years, to the responsible bidder that submitted the lowest responsive bid, Ground Control Inc., to perform A-licensed general engineering construction work on San Francisco Public Utilities Commission systems and operations around the Bay Area.

[\(Resolution 23-0149\)](#)

b) Accept work performed by Western Water Constructors, Inc., under Contract No. WW-667, Mariposa Dry Weather Pump Station Improvements; Approve Modification No. 22 (Final) decreasing the contract amount by \$26,853, and increasing the contract duration by 216 calendar days, to revise the security gate/lockset to comply with the Americans with Disabilities Act and concurrently complete remaining punch list items, for a total contract amount of \$18,506,438 and a total contract duration of 1,566 consecutive calendar days; and authorize final payment to the contractor. [\(Resolution 23-0150\)](#)

No public comment.

*On motion to approve item 9:
Ayes: Ajami, Maxwell, and Stacy*

7. Approve Amendment No. 5 to Contract No. CS-1408, Multi-Party Cost Share Contract for Los Vaqueros Reservoir Expansion Project Planning with Alameda County Flood Control and Water Conservation District Zone 7, Alameda County Water District, Contra Costa Water District, East Bay Municipal Utility District, Grassland Water District, San Luis & Delta-Mendota Water Authority, Santa Clara Valley Water District, and Los Vaqueros Reservoir Joint Powers Authority, to increase the not-to-exceed Contract amount by \$8,673,000, of which \$1,239,000 would be the not-to-exceed obligation of the San Francisco Public Utilities Commission, for a new total not-to-exceed amount of \$31,525,836, of which \$4,597,910 would be the total not-to-exceed obligation of the San Francisco Public Utilities Commission, and extend the Contract duration by 12 months for a new total Contract duration of five years and four months. The requested increase in budget and time is due to additional roles and responsibilities assumed by parties to the Contract and due to delays in negotiation and execution of contracts with California Department of Water Resources, California Department of Fish and Wildlife, and permits with the U.S. Bureau of Reclamation. ([Resolution 23-0151](#))

Steve Ritchie, Assistant General Manager (AGM) Water Enterprise stated the Expansion Project will increase the capacity of the Los Vaqueros Reservoir by 115,000 acre-feet. He indicated the work has been ongoing since 2016 and that the SFPUC is one of eight agencies partnering in the planning process. It is anticipated that in early 2024 the Commission will need to decide as to the SFPUC's full participation. AGM Ritchie stated that this is one of the projects being evaluated in the Alternative Water Supply Project. He discussed the fifth amendment indicating the SFPUC's share of the amendment is about \$1.3 million, which will bring the SFPUC's total participation in the planning phase to \$4.6 million.

In response to a question from VP Maxwell, AGM Ritchie state that he was "cautiously confident" with the project's timing.

AGM Ritchie presented an amendment to the resolution to delete the fifth Whereas clause on the second page as it duplicates the eighth Whereas Clause.

Public Comment

- *Nicole Sandkulla, BAWSCA CEO expressed support for the item.*
- *Peter Drekmeier, Policy Director, Tuolumne River Trust questioned if it is a wise investment. He noted forthcoming regulations for nutrient discharge that should be considered.*

*On motion to approve item 7 as amended:
Ayes: Ajami, Maxwell, and Stacy*

The Commission Secretary re-announced that item 8 was pulled from the calendar.

8. Public hearing to consider and possible action to adopt revised Rules and Regulations Governing Electric Service (Rules) in conformance with the requirements of Charter section 4.104, effective October 22, 2023. The revised version of the Rules replaces in its entirety the original version that the Commission approved in February 2010 as well as amendments approved in November 2015 and May 2017.

9. Authorize the General Manager to recommend that the San Francisco Director of Property execute a Certificate of Acceptance to accept an approximately seven-acre parcel, known as Block/Lot 8928/001, in fee and at no cost to the SFPUC, for the future site of the new Treasure Island Wastewater Treatment Plant (TI WWTP); approve the terms and conditions of the transfer; and authorize the General Manager to execute a 66-year lease with the Treasure Island Development Authority, a California non-profit public benefit corporation, as landlord, to use approximately three acres of land, comprising a portion of Block/Lot 8946/002, at no cost to the SFPUC, for the future development of wetlands appurtenant to the TI WWTP for the final stage of wastewater treatment. ([Resolution 23-0152](#))

Dina Brasil, Right-of-Way Manager reviewed the history of Treasure Island and discussed the Island's wastewater treatment needs. She stated that the Treasure Island Development Authority (TIDA) is responsible for all utilities on Treasure Island and that the SFPUC provides operations and maintenance services for existing wastewater facilities as the contract operator. The existing facilities do not meet SFPUC standards and the SFPUC is designing and construction a new wastewater treatment plant.

Manager Brasil stated the Treasure Island wastewater treatment plant has two components (1) Treatment Plant (treatment and disinfection, and recycled water); and (2) Wetlands (final stage before discharge, and public amenity and wildlife habitat).

Manager Brasil discussed the 2017 Memorandum of Understanding between the SFPUC and TIDA which was approved by the Board of Supervisors through Resolution 303-17. She discussed the State Lands Commission of the Public Trust and trust-consistent uses vs. not trust-consistent uses. She indicated the wastewater treatment plant is not trust-consistent and serves on-trust properties, while wetlands are trust-consistent as a public amenity and natural habitat.

Manager Brasil stated the Trust Exchange between the State Lands Commission and the TIDA will remove the Trust from the treatment plant parcel, with TIDA owing the parcel. Treasure Island Development Authority will immediately transfer ownership to the SFPUC, at no cost, and will require a Certificate of Acceptance, signed by the City's Director of Property. Treasure Island Development Authority will serve as landlord, with a 66-year lease for the wetland. The site may be used during construction for contracting staging, at no cost.

Manager Brasil stated the Final Environmental Impact Report for the Treasure Island/Yerba Buena Island Redevelopment Project (Case No. 2007.0903E) was certified on April 21, 2011 and included the future wastewater treatment plant project. On April 18, 2019, the Planning Department reevaluated the updated design and concluded that there were no substantial changes to the project. On April 23, 2019, by Resolution No. 19-0082, the Commission adopted the California Environmental Quality Act Findings.

Commissioner Stacy discussed CEQA and the Notice-to-Proceed (NTP) and asked if all mitigation measures are being implemented. Jignesh Desai, Project Manager, stated that NTP was issued as of August 21, 2023 and that mitigation measures are or will be implemented. Project Manager Desai responded to questions from President Ajami regarding the SFPUC's use of wetlands indicating as long as use is consistent with effluent maintenance there shouldn't be any issues; and a question as to what happens after the 66-year lease expires, noting the likelihood of technology advances during that time period.

No public comment.

*On motion to approve item 9:
Ayes: Ajami, Maxwell, and Stacy*

10. Communications

- a) Advance Calendar
- b) Contract Advertisement Report
- c) Correspondence Log
- d) Declaration of Emergency – Chemical Storage Tank Repair for the Sunol Valley Water Treatment Plant
- e) Quarterly Report on Contracts Awarded by the General Manager Pursuant to Delegated Authority
- f) Water Supply Conditions Update

11. General Public Comment

- *Mtoa Jones asked that 1800 Oakdale become a remembrance and historical landmark for mitigation and that it be used for education facilities.*
- *Marilyn Jackson discussed 1800 Oakdale and plans for the building. She discussed 1550 Evans and expressed the need for college education, job training, and other community opportunities.*
- *Gwen Fagan Jackson showed a video of Dr. Espanola Jackson in conversation with former SFPUC staff discussing mitigation and possible opportunities for the building to benefit the community. She responded to a follow-up question from Commissioner Stacy regarding the education facilities at 1550 Evans.*
- *Peter Drekmeier, Policy Director, Tuolumne River Trust commented on the Water Supply Conditions Update and specifically on deliveries (demand).*

12. Items initiated by Commissioners

President Ajami discussed (1) Moving public comment back to front portion of the agenda; (2) her attendance attended SFPUC's Citizens' Advisory Committee and requested staff follow-up on (a) California Constitution Code requirement regarding selecting projects on best value rather than lowest bid; (b) SFPUC's participation on job fairs held at the Southeast Community Center; (c) Treasure Island electric issues and how the SFPUC's relationship with the Treasure Island Development Authority works.

Public Comment

- *Peter Drekmeier, Policy Director Tuolumne River Trust thanked President Ajami for requesting that public comment be moved back to the front of the agenda.*

The Commission Secretary re-announced that Closed Session would not occur.

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

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

15. CONFERENCE WITH LEGAL COUNSEL regarding existing litigation (California Government Code Section 54956.9(d)(1), and San Francisco Administrative Code Section

67.10(d)(1):

City and County of San Francisco v. U.S. Environmental Protection Agency (U.S. Court of Appeals for the Ninth Circuit, Case No. 21-70282, Filed February 9, 2021); City and County of San Francisco v. State Water Resources Control Board, et al. (Alameda Superior Court, Case No. RG-19042575, Filed October 30, 2019)

16. Announcement following Closed Session

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

18. Adjournment

President Ajami adjourned the meeting at 3:08 PM.