



SAN FRANCISCO PUBLIC UTILITIES COMMISSION
City and County of San Francisco

London N. Breed
Mayor

REGULAR MEETING MINUTES
Tuesday, May 14, 2024
1:30 PM

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

Commissioners

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

Dennis J. Herrera
General Manager

Cirilo Espinoza
Acting Commission Secretary

1. Call to Order

2. Roll Call

Present: Paulson, Rivera, Ajami and Stacy

3. Approval of the Minutes of April 23, 2024

No public comment.

On the motion to approve the Minutes of April 23, 2024:

Ayes: Paulson, Rivera, Ajami and Stacy

4. General Public Comment

- *Jennifer Vataru commented on her request for an action plan regarding the Pierce Street Outfall. She also submitted her concerns in writing.*
- *Ashley Westing commented on the impact stemming from the closure of the Pierce Street Outfall.*

5. Report of the General Manager (discussion only)

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

None.

6. Revenue Bond Oversight Committee Annual Report (discussion only)

Chair Reuben Holober presented three highlights of the report: (1) the audit of six revenue bonds; (2) the ongoing monitoring of bond sales and ongoing debt plans; and (3) visits to the Oceanside Treatment Plant in November 2022 and the Hetch Hetchy Regional Water System in May 2023.

President Paulson thanked Chair Holober and his committee for the report. He also questioned what other areas of audit the Revenue Bond Oversight Committee were looking into. Chair Holober stated there were no specific areas identified yet, but they were to be determined in time.

Commissioner Stacy thanked Chair Holober and the committee for the update and requested Chair Holober keep the Commission informed on future insight and recommendations.

Commissioner Ajami appreciated the information provided and made the same request as Commissioner Stacy.

7. **CONSENT CALENDAR**

- a) Accept work performed by Cratus Inc., under **Contract No. WD-2718**, 8-Inch Ductile Iron

Pipe and 24-Inch Earthquake Resistant Ductile Iron Pipe Water Main Installation on Prospect, Fair and Coso Avenues and Coleridge Street, for a total contract amount of \$8,337,953 and a final contract duration of 690 consecutive calendar days (approximately one year and 11 months); and authorize final payment to the contractor. (Robinson)

- b) Approve an increase in the amount of \$450,000 to the cost contingency and an increase of 60 calendar days to the duration contingency for **Contract No. WD-2843**, 16-, 12-, and 8-Inch Ductile Iron Water Main Replacement on Diamond St from 27th Street to Diamond Heights Blvd, 28th and Duncan Streets from Douglass to Noe Streets, Valley Street from Diamond to Noe Streets, and Noe Street from Duncan to Valley Streets, with M Squared Construction Inc., for a new total contract amount limit of up to \$10,132,240 and a new contract duration limit of up to 789 consecutive calendar days (approximately two years and two months), to address remaining work scope associated with San Francisco Public Works paving restoration within the project work limits and potential future change orders associated with differing site conditions. (Robinson)
- c) Approve Amendment No. 2 to **Contract No. PRO.0070**, NERC Compliance and Audit Support, with Archer Energy Solutions, LLC, increasing the contract amount by \$1,500,000 and extending the contract duration by one year, for a total not-to-exceed contract amount of \$9,500,000 and a total contract duration of six years, for increased contract usage and a higher than expected spending rate as a result of hiring additional part-time consultants due to loss of San Francisco Public Utilities Commission staff. (Ritchie)
- d) Approve an increase of \$7,000,000 to the cost contingency and an increase of 596 calendar days (approximately one year and eight months) to the duration contingency for **Contract No. WW-639**, Oceanside Water Pollution Control Plant Digester Gas Utilization Upgrades, with Monterey Mechanical Co., for a new contract duration limit of up to 2,593 consecutive calendar days (approximately seven years and one month) and a contract amount limit of up to \$54,293,900. The proposed contingency increase will address additional costs for a cogeneration system, associated mechanical and electrical system modifications and related PG&E electrical interconnection equipment compliance, and to allow additional time for the contractor to procure long-lead mechanical and electrical equipment to comply with PG&E electrical interconnection requirements. (Robinson)
- e) Approve an increase in the amount of \$2,500,000 to the cost contingency and an increase of 100 calendar days to the duration contingency for **Contract No. WW-736**, Castro and Mission Districts Sewer Improvements, with Precision Engineering, Inc., increasing the contract amount limit up to \$10,499,552 and increasing the contract duration limit up to 567 consecutive calendar days (approximately one year and seven months), to rehabilitate an additional 1,440 linear feet of large diameter high-risk sewers on 18th Street between Eureka and Danvers Streets. Implementation of all the 18th Street sewer rehabilitation under a single construction contract will reduce disruption to the Castro District residents and businesses. This action constitutes the Approval Action for the 18th Street sewer rehabilitation work 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. (Robinson)
- f) Approve a **seven-year revocable license to Pacesetter, Inc.** to use approximately 37,000 square feet of SFPUC Parcel No. 172 located adjacent to the property at 645 Almanor

Avenue in Sunnyvale, California to maintain a parking lot and landscaping for an annual use fee of \$93,240, subject to four-percent annual increases. (Flynn)

- g) Award **Contract No. CS-1414**, Project Labor Agreement Upcountry Training Services with San Joaquin County Office of Education, in the amount not to exceed \$1,000,000 with a duration of five years, to provide pre-apprentice training, barrier removal, and referral services for Tuolumne County and the surrounding areas of San Francisco Public Utilities Commission service territory. (Robinson)
- h) Award **Contract No. HH-1013**, Moccasin Compound Water System Filtration Addition, to the responsible bidder that submitted the lowest responsive bid, Sierra Mountain Construction, Inc., in the amount of \$4,177,936, and with a duration of 346 consecutive calendar days to install a permanent freshwater treatment plant in Moccasin, CA. This action constitutes the Approval Action for the Project 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. (Ritchie)

Commissioner Stacy stated she requested clarification on Items 7c and 7g and Margaret Hannaford had provided her with the needed information.

President Paulson commented on Item 7g with regards to the apprenticeship program and Upcountry.

Commissioner Ajami requested clarification as to why there was such a significant increase on Item 7d. Brian Carlomagno, Project Manager, provided a detailed explanation as to why the dollar amount has increased. Commissioner Ajami further questioned if the upgrade would hinder any future processes; Project Manager Carlomagno stated there is a possibility to reverse the decision down the road. Commissioner Ajami also made note of the increase being over 50% and questioned if there was some sort of performance-based delivery process the PUC could put in place for this not to happen in the future. Project Manager Carlomagno stated they are evaluating this and trying to find a way to avoid this.

No public comment.

On the motion to approve the Consent Calendar:

Ayes: Paulson, Rivera, Ajami and Stacy

REGULAR CALENDAR

8. Award **Contract No. WD-2897**, Sunol Valley Water Treatment Plant Ozonation, to the responsible bidder that submitted the lowest responsive bid, J.F. Shea Construction, Inc., in the amount of \$234,782,000, and with a duration of 1,612 consecutive calendar days (approximately four years and five months), to construct an ozone treatment facility to control taste and odor in the raw water supplied to the Sunol Valley Water Treatment Plant. (Ritchie)

Bryan Dessauere, Project Manager, stated the primary objective of this project is to install a ozone treatment facility as a long-term solution to control taste and odor in the water supplied.

President Paulson thanked Project Manager Dessauere for the explanations and further analysis provided in the report.

Commissioner Ajami congratulated Project Manager Dessauere on this being the first design bid build project. She also questioned the bid process and incentives we offer bidders, while still attempting to minimize risk factors; Stephen Robinson, Assistant General Manager for Infrastructure, provided clarity on these concerns.

Nicole Sandkulla, CEO of Bay Area Water Supply and Conservation Agency (BAWSCA), provided remote public comment in support of this project and stated she was looking forward to its completion.

On the motion to approve the Item #8:

Ayes: Paulson, Rivera, Ajami and Stacy

9. Approve Amendment No. 4 to **Contract No. CS-247(R)**, Customer and Administrative Services for Community Choice Aggregation Program, with Calpine Energy Solutions, LLC, for continued meter data management, billing, and customer care support for the CleanPowerSF program, increasing the contract amount by \$2,500,000 and extending the contract's duration by six months, for a total not-to-exceed amount of \$35,145,425 and total duration of nine years and six months, subject to approval by the Board of Supervisors under Charter Section 9.118.

(Hale)

Andrew Bevington, CleanPowerSF Customer Solutions Manager, stated this amendment would allow his team to issue an RFP to secure a new contract and the continuity of operations should CleanPowerSF need to transition Calpine's functions to a new company.

Commissioner Ajami questioned how we could bring more generalized solutions to the table and further questioned the location of the meters and the metering itself.

On the motion to approve the Item #9:

Ayes: Paulson, Rivera, Ajami and Stacy

10. Approve an increase of \$4,600,000 to the cost contingency and an increase of 1,022 calendar days (two years 10 months) to the duration contingency for **Contract No. PW-009R**, As-Needed Electrical Distribution Installation & Construction Support, with VIP Powerline Corp., for a new contract amount of up to \$17,250,000 and contract duration of up to 1,825 consecutive calendar days (five years) to avoid a gap in supplemental support to the Power Enterprise's Utility Field Services group.

(Hale)

Danny Phung presented the report.

On the motion to approve the Item #10:

Ayes: Paulson, Rivera, Ajami and Stacy

11. Approve Amendment No. 4 to **Contract No. CS-310**, Electronic Bill Payment and Presentment,

with Kubra Data Transfer, Ltd., increasing the contract amount by \$365,000 and extending the contact duration by one year, for a total not-to-exceed contract amount of \$2,265,000 and contract duration of 10 years, to increase the data storage capacity and continue provision of electronic bill presentment and payment and related services. (Hom)

Commissioner Ajami asked if we truly needed an outside source to provide this kind of service and Director Andrus stated we do.

On the motion to approve the Item #11:

Ayes: Paulson, Rivera, Ajami and Stacy

12. Consider and adopt the proposed **Wholesale Water Rates for Fiscal Year 2024-2025**, which will become effective for meter readings on or after July 1, 2024. The San Francisco Public Utilities Commission developed the proposed rates in accordance with the terms of the Water Supply Agreement between the City and County of San Francisco and its Wholesale Customers, which the Commission approved on April 28, 2009, by Resolution No. 09-0069, and amended and restated on January 26, 2021, by Resolution No. 21-0009, with subsequent approval by the Wholesale Customers. This action constitutes the Approval Action for the Project 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 this action is exempt from the CEQA. If the item is approved, the Commission will rely on that determination to make its decision. (Hom)

Matthew Freiberg presented PPT.

Commissioner Stacy questioned the rates information and thanked Matthew Freiberg for the report.

Nicole Sandkulla provided remote public comment to support the wholesale water rates increase.

Peter Drekeimer provided remote public comment.

On the motion to approve the Item #12:

Ayes: Paulson, Rivera, Ajami and Stacy

13. Public Hearing to consider the adoption of **rates of the San Francisco Public Utilities Commission Power Enterprise for Hetch Hetchy Power service** to be effective with meter readings beginning on or after July 1, 2024. 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. (Hom)
14. Public Hearing to consider adopting schedules of **rates of the San Francisco Public Utilities Commission (SFPUC) Power Enterprise for CleanPowerSF power service** in San Francisco to be effective July 1, 2024. 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. (Hom)

Erin Corvinova provided the reports for both items.

Commissioner Ajami questioned if these increases would impact PG&E bills.

Two members of Sutro Power requested to provide public comment and asked if there were any thoughts on reviving the GoSolar Power SF.

On the motion to approve the Item #13:

Ayes: Paulson, Rivera, Ajami and Stacy

On the motion to approve the Item #14:

Ayes: Paulson, Rivera, Ajami and Stacy

15. Communications (information only)

- a) Advance Calendar
- b) Annual CleanPowerSF SuperGreen Multi-Year Service Agreement Update
- c) Contract Advertisement Report
- d) Correspondence Log
- e) Water Supply Conditions Update

16. Items initiated by Commissioners (discussion only)

Commissioner Stacy would like a public hearing on the Alternative Water Supply for the June 11th Commission meeting.

Commissioner Ajami commented on the Water Supply Conditions Update, requesting to have this report moved over to a presentation.

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

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

19. CONFERENCE WITH LEGAL COUNSEL regarding existing litigation (Government Code §54956.9(d)(1), San Francisco Administrative Code §67.10(d)(1)):

Proposed settlements of unlitigated claim for property damage resulting from the September 10, 2023 break of a water transmission pipeline at the intersection of Fillmore and Green Streets, with the City to pay the claimants the settlement amounts as listed below, in exchange for a full and final release. This approval is final under the delegated authority granted by the Board of Supervisors (Ordinance No. 20-24 (File No. 231273)). (action item) (Bregman)

Claim No.	Date Filed	Claimant	Proposed Settlement Amount
24-00856	November 3, 2023	Ralph Skinner	\$181,201.50

Following Closed Session, the Commission will reconvene in Open Session

20. Announcement following Closed Session

President Paulson stated that the Commission recommends the Board of Supervisors approve the settlement referenced under item 19.

21. 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:

Ayes: Paulson, Rivera, Ajami and Stacy

22. Adjournment

President Paulson adjourned the meeting at 3:49pm.

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