



SAN FRANCISCO PUBLIC UTILITIES COMMISSION
City and County of San Francisco

London N. Breed
Mayor

REGULAR MEETING MINUTES
Tuesday, September 24, 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

Tiffany Lennear
Director of Commission Affairs

1. Call to Order
President Paulson called the meeting to order at 1:30 P.M.
2. Roll Call
Present: Paulson, Rivera, and Stacy
Excused: Ajami
3. Approval of the Minutes of September 10, 2024
No public comment provided.

On motion to approve the Minutes of September 10, 2024 with two amendments, requested by Commissioner Stacy and approved by the Commission, to include the announcement following Closed Session and amend agenda item 7 to clarify action taken by the Commission is the adoption of the Town of Sunol mitigation monitoring and reporting program within the text of the staff report and resolution.

Ayes: Paulson, Rivera, and Stacy

4. General Public Comment
 - *Layne Fajeau provided comment on behalf of Sierra Club California and as a new San Francisco District Nine resident urging the Commission, Mayor Breed, and City Attorney David Chiu to drop the lawsuit against the Environmental Protection Agency to preserve the efficacy of the Clean Water Act.*
 - *Francisco Da Costa provided comment by expressly stating that the removal of commissioners from the Commission is not the right thing for the citizens or constituents of the City of San Francisco.*
 - *Peter Drekmeier, Policy Director of the Tuolumne River Trust, provided comment stating that he wished to associate himself with the comment provided by Layne Fajeau, he thanked the outgoing commissioners, and stated former Commissioner Newsha Ajami will likely not receive a response to her question asked last November relating to how lower than projected water sales will impact water rates.*
5. Report of the General Manager (discussion only)
 - a) FY 2023-24 Q4, Quarterly Budget Status Report

Laura Busch, Deputy Chief Financial Officer, presented the report.

 - *Peter Drekmeier provided comment regarding the drought surcharge from 2022.*
 - b) Hetch Hetchy Capital Improvement Program Quarterly Report

Katie Miller, Water Capital Programs Director, presented the report.

No public comment provided.

c) SFPUC Employee Retirement Recognition for 25+ Years of Service

Dennis Herrera, General Manager, introduced and recognized Michael Broussard, Anthony Scott, and Frank Marovich as employees who provided service of 25 years or more to the SFPUC.

Mr. Herrera thanked the outgoing Commissioners for their tremendous service and professionalism to the PUC on behalf of the SFPUC employees, the citizens, residents, and ratepayers of the City and County of San Francisco.

Mr. Herrera stated that he needed to leave the Commission meeting to appear before the Board of Supervisors; he left the dais and Steven Ritchie, Assistant General Manager, sat at the dais at 2:19 PM and served on behalf of Mr. Herrera for the remainder of the meeting.

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

None.

6. Bay Area Water Supply and Conservation Agency Report

Nicole Sandkulla, Chief Executive Officer/General Manager, Bay Area Water Supply and Conservation Agency reported that Assembly Bill 2962, by Diane Papan, was signed into law by Governor Newsom and it extends State oversight of the Commission's implementation of the Water System Improvement Program through January 1, 2036; the BAWSCA Board selected a new incoming General Manager, Tom Smegal, effective December 1, 2024 and she would like to introduce Mr. Smegal to the Commission in December; and, Ms. Sandkulla thanked Commissioners Paulson, Rivera, and Ajami for their service to the PUC and the City and County of San Francisco.

7. CONSENT CALENDAR

a) Approve Amendment No. 4 to Contract No. CS-1101, Software as a Service Agreement, with Yardi Systems, Inc., to increase the contract amount by \$210,649 for a new total contract amount of \$725,938, and to add a tenant insurance compliance module to the contract's software subscription services. ([Resolution 24-0201](#))

b) Award Contract No. WD-2844, 12-Inch Ductile Iron Water Main Installation on Parnassus Avenue, from Stanyan Street to 6th Avenue, on Lawton Street from 7th Avenue to Funston Avenue, and Various Street Locations, to the responsible bidder that submitted the lowest responsive bid, Basset Engineering, in the amount of \$8,118,045 and with a duration of 616 consecutive calendar days (approximately one year and 8 eight months), to install water mains in the Sunset District of San Francisco. 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. ([Resolution 24-0202](#))

- c) Accept work performed by D’Arcy & Harty Construction, Inc., under Contract No. WW-724, Panhandle and Inner Sunset Large Diameter Sewer Rehabilitation; approve Modification No. 1 (Final) decreasing contract amount by \$3,801,235, for a new total contract amount of \$6,136,120, with no change to contract duration, for a total contract duration of 515 consecutive calendar days (approximately one year and five months), to reduce scope from the contract and to adjust the final contract amount to the value of actual contract quantities completed; and authorize final payment to the contractor. ([Resolution 24-0203](#))
- d) Approve Modification No. 1 to Job Order Contract No. JOC-90, General Engineering (A License) Construction, San Francisco, San Mateo, Santa Clara, and Alameda Counties with GSW Construction, Inc., to increase the contract duration by one year, for a total contract duration of three years, to allow additional time to complete ongoing facility and asset improvements. ([Resolution 24-0204](#))
- e) Award Contract No. WW-755, Sunnydale Pump Station Safety Improvements, to the responsible bidder that submitted the lowest responsive bid, Anvil Builders, Inc., in the amount of \$8,069,600, and with a duration of 1,155 consecutive calendar days (approximately three years and two months), to address water intrusion, health and safety conditions, and security issues at the Sunnydale Pump Station. 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. ([Resolution 24-0205](#))

No public comment provided.

On motion to approve the Consent Calendar:

Ayes: Paulson, Rivera, and Stacy

REGULAR CALENDAR

- 8. Authorize the General Manager to execute an Installment Sale Agreement to secure a Clean Water State Revolving Fund Loan for the Wastewater Enterprise New Treasure Island Wastewater Treatment Plant project in an amount not to exceed \$120,300,000, with a Water Recycling Grant of up to \$8,000,000. ([Resolution 24-0206](#))

Agenda Item Nos. 8 and 9 were considered and voted on concurrently.

Alexandra Gunnell, Loans and Grants Director presented the reports.

No public comment provided.

On motion to approve agenda item 8 and 9:

Ayes: Paulson, Rivera, and Stacy

9. Authorize the General Manager to execute an Installment Sale Agreement to secure a Clean Water State Revolving Fund Loan for the Wastewater Enterprise Folsom Area Stormwater Improvement Project Phase 2 in an amount not to exceed \$59,000,000, with a principal forgiveness (grant) amount of up to \$5,000,000. ([Resolution 24-0207](#))

Agenda Item Nos. 8 and 9 were considered and voted on concurrently.

On motion to approve agenda item 8 and 9:

Ayes: Paulson, Rivera, and Stacy

10. Approve Amendment No. 1 to Contract No. PRO.0168.B, Engineering Services for Transmission Pipelines, with Kennedy/Jenks Consultants, Inc., and AGS, Inc., Joint Venture, increasing the contract amount by \$10,000,000, for a total not-to-exceed contract amount of \$17,000,000, with no change to the contract duration, to provide additional engineering design and support services for five transmission pipeline capital improvement projects funded by the Water Enterprise Capital Improvement Program, subject to Board of Supervisors approval under Charter Section 9.118. ([Resolution 24-0208](#))

Tedman Lee, Civil Division Manager Engineering Management Bureau, presented the report.

No public comment provided.

On motion to approve agenda item 10:

Ayes: Paulson, Rivera, and Stacy

11. Award Contract No. PRO.0239, New City Distribution Division Campus at 2000 Marin Construction Management Staff Augmentation Services, to Consor PMCM, Inc., for an amount not to exceed \$10,720,500 and with a duration of four years and three months, to supplement San Francisco Public Utilities Commission Construction Management Bureau staff in overseeing the construction of the new CDD Campus at 2000 Marin Project, subject to the Board of Supervisors' approval under San Francisco Charter Section 9.118. ([Resolution 24-0209](#))

Mario Valdez, Manager, Construction & Professional Services Contracts, Construction Management Bureau, presented the report.

On motion to approve agenda item 11:

Ayes: Paulson, Rivera, and Stacy

12. COMMUNICATIONS (information only)

- a) Advance Calendar
- b) Contract Advertisement Report
- c) Correspondence Log
- d) Water Supply Conditions Update
- e) Annual Real Estate Update
- f) FY 2024-25 and 2025-26 Budget, Final Changes Since Adoption

13. Items initiated by Commissioners (discussion only)

Commissioner Stacy thanked President Paulson, Vice President Rivera, and Commissioner Ajami for their service.

Vice President Rivera visited the SFPUC Contracting Center and had a great experience, he thanked Assistant General Manager Steve Robinson, Acting Director of Workforce and Economic Program Services Ben Poole, and complimented Miguel Galarza on his wealth of knowledge. Vice President Rivera recommended that all commissioners take the time to visit the Contracting Center.

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

No public comment provided.

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

*On motion to assert the attorney-client privilege:
Ayes: Paulson, Rivera, and Stacy*

The Commission entered Closed Session at 3:12 P.M.

CLOSED SESSION

SFPUC Officials and Staff members present during Closed Session: Tim Paulson, Commission President; Tony Rivera, Commission Vice President; Kate Stacy, Commissioner; Steve Ritchie, Assistant General Manager; Katherine Ortega, Deputy City Attorney; Brittany Feitelberg, Special Assistant to the General Manager; and Tiffany Lennear, Director of Commission Affairs.

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

Gabriel Perez, et al. v. City and County of San Francisco

San Francisco Superior Court Case No.: CGC-23-605191
Date Filed: March 16, 2023

Proposed settlement of a wrongful death claim with the City and County of San Francisco to pay plaintiffs \$1,500,000 in exchange for a full and final release, subject to final approval by the Board of Supervisors. (action item) (Bregman)

The Commission exited Closed Session at 3:22 P.M.

17. Announcement following Closed Session

President Paulson stated the Commission recommends the Board of Supervisors approve the settlement referenced under Item 16.

18. 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 the discussion during Closed Session:
Ayes: Paulson, Rivera, and Stacy.*

19. Adjournment

President Paulson adjourned the meeting at 3:24 P.M.