



SAN FRANCISCO PUBLIC UTILITIES COMMISSION
City and County of San Francisco

London N. Breed
Mayor

MINUTES
Tuesday, October 13, 2020
1:30 P.M.
(Approved October 27, 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

Anson Moran
Sophie Maxwell
Tim Paulson
Ed Harrington

Harlan L. Kelly, Jr.
General Manager

Donna Hood
Secretary



1. Call to Order
Chair Moran called the meeting to order at 1:30 PM.
2. Roll Call
Present: Moran, Maxwell, Paulson and Harrington
3. Annual Election of Officers: As per the San Francisco Public Utilities Commission Rules of Order, Rule No. 6, discussion and possible action to elect a President and Vice President of the Commission, each to serve a one-year term.

Public Comment – Election of President

- *Francisco Da Costa stated the Commission is at a crossroad and astute and stellar leadership is needed. He proposed Commissioner Harrington be nominated as President and Commissioner Moran be nominated as Vice President.*

Chair Moran discussed the process and stated that nominations for the position of President would take place first followed by nominations for Vice President.

Commissioner Harrington nominated Commissioner Maxwell for President. No other nominations received.

*On motion to elect Commissioner Maxwell as President:
Ayes: Maxwell, Moran, Paulson and Harrington
Nay: Paulson*

Public Comment – Election of Vice President

- *Francisco Da Costa stated the Commission is at a crossroad and astute and stellar leadership is needed. He proposed Commissioner Harrington be nominated as President and Commissioner Moran be nominated as Vice President. Commissioner*

President Maxwell thanked the Commission for the nomination. She expressed gratitude to former Commissioner Caen for her devotion and service to the Commission and the City.

No Public Comment on Election of Vice President.

*President Maxwell asked for nominations for the position of Vice President.
Commissioner Harrington nominated Commissioner Moran for Vice President.*

*On motion to elect Commissioner Moran as Vice President:
Ayes: Maxwell, Moran, Paulson and Harrington
Nay: Paulson*

4. Approval of the Minutes of September 22, 2020

Public Comment

- *David Pilpel stated that attendees in Closed Session need to be added to the minutes.*

*On motion to approve the Minutes of September 22, 2020, as amended
Ayes: Maxwell, Moran, Paulson and Harrington*

5. General Public Comment

- *Francisco DaCosta stated there is a cloud hanging over the SFPUC. He discussed the Sewer System Improvement Project (SSIP) budget and said transparency and accountability is needed.*
- *David Pilpel welcomed Commissioner Harrington and congratulated the new officers. He expressed appreciation to former Commissioners Caen and Vietor for their service. He asked when he can pay his outstanding SFPUC bill in person and obtain receipt, noted the good work on infrastructure maintenance, and recognized the passing of former SFPUC employee Jim Salerno. He stated that he feels heard at SFPUC meetings.*
- *Alita Dupree discussed CleanPowerSF and the Power Content Label. She discussed increasing renewable energy percentage, value proposition, and power storage.*
- *Peter Drekmeier, Tuolumne River Trust, congratulated the new officers and welcomed Commissioner Harrington. He discussed the Modesto Irrigation District and Tuolumne Irrigation District petition to the Federal Energy Regulatory Commission to waive the State's authority to show water quality certification in the dam licensing process and asked for the SFPUC's position.*

6. Communications

a) Contract Advertisement Report (CAR)

General Manager Kelly responded to a question from Commissioner Harrington regarding the Bay Ridge Trail and the ability to fight fires.

b) Correspondence Log

c) Water Supply Conditions Update

Public Comment

- *Francisco DaCosta requested that the Commission address trails, and the expense of water considering the fires and conduct a needs assessment on the toxicity and adverse impacts on water, forests, and watershed.*

7. Citizens' Advisory Committee (CAC) Annual Report

Anietie Ekanem, CAC Chair, congratulated President Maxwell and Commissioner Moran. He congratulated Commissioner Harrington for his appointment and that he looks forward to working with the Commission. He thanked former Commissioners Caen and Vietor for their work.

On behalf of the CAC, he thanked the Commission for approving the customer assistance programs that help San Franciscans during COVID. He indicated the CAC works in the community and helped to spread the word. He stated that customers are appreciative of the Commission's work.

He reviewed the work of the CAC, highlighting their work around (1) emergency relief bill program; (2) improved groundwater; (3) air quality impacts especially around the Southeast Plant; (4) equity, (5) infrastructure projects; and (6) people and progress. He stated the CAC is a partner and wants to work collaboratively with the Commission.

President Maxwell and Commissioner Paulson thanked Chair Ekanem and the CAC for their commitment and good work.

Public Comment

- Francisco DaCosta stated the CAC should address imperial data for discharges at the Phelps Treatment Plant.

8. Report of the General Manager (GM)

a) Update on SFPUC Operations During COVID-19 Emergency

Harlan Kelly, GM, welcomed Commissioner Harrington and congratulated the new officers. He thanked Commissioner Paulson for his continued work. He stated that President Maxwell was taken to the Jerrold Street Closure and other southeast sites to see how construction is proceeding during COVID and observe precautions and steps being taking place to protect employees.

b) Southeast Area Major Projects Update

Stephen Robinson, Director, Wastewater Capital Programs, indicated the update is being provided at the request of the Commission. He introduced Masood Ordikhani who provided the presentation:

SSIP Overall: Local Hire – Individual Workers: (1) City Local Hire Ordinance requirement of 20%-30%, with SSIP Local Hire Participation at 33%; (2) \$19M wages and benefits earned by San Francisco Residents, with District 10 (D10) residents working 29% of all hours and \$4.97M in wages and benefits earned; and (3) City Local Hire Ordinance Requirement for Apprenticeships 50%, with SSIP apprentice participation at 63%, and D10 Residents working 37% of apprentice hours.

SSIP Overall: Local Business Enterprise (LBE) – Contractors: (1) 211 LBEs awarded 445 contracts, with 88 D10 LBEs awarded 206 contracts; and (2) \$318.2M awarded to LBEs, with D10 LBEs awarded \$159.9M.

Biosolids Digester Facility Project: Local Hire – Individual Workers: (1) City Local Hire Ordinance requirement of 30%. Without applying any of the pipeline and retention compliance mechanisms, project Local Hire Participation at 40%; (2) City's Local Hiring Ordinance requirement for apprentices is 50%. Without applying any of the pipeline and retention compliance mechanisms, project Local Apprentice participation is 78%; and (3) D10 residents worked 47% of all hours worked by San Francisco residents, and D10 apprentices worked 30% of all hours worked by San Francisco resident apprentices.

Biosolids Digester Facility Project: SSIP Overall: LBEs – Contractors: (1) Project LBE requirement of 12%, with current LBE participation 26%; (2) 25 LBEs awarded

37 contracts, with 15 D10 LBEs awarded 21 contracts; and (3) \$38M awarded to LBEs, with \$29.3M awarded to D10 LBEs.

Southeast Plant New Headworks Facility Project: Local Hire – Individual Workers: (1) City Local Hire Ordinance requirement of 30%. Without applying any of the pipeline and retention compliance mechanisms, project Local Hire Participation at 30%; (2) City's Local Hiring Ordinance requirement for apprentices is 50%. Without applying any of the pipeline and retention compliance mechanisms, project Local Apprentice participation is 50%; and (3) D10 residents worked 33% of all hours worked by San Francisco residents, and D10 apprentices worked 34% of the hours worked by San Francisco residence apprentices.

Southeast Plant New Headworks Facility Project : LBEs – Contractors: (1) Project LBE requirement of 15%, with current LBE participation 17.9%; (2) 36 LBEs awarded 67 contracts, with 22 D10 LBEs awarded 45 contracts; and (3) \$45.1M awarded to LBEs with \$35.5M awarded to D10 LBEs.

Southeast Community Center: Local Hire – Individual Workers: (1) City Local Hire Ordinance requirement of 30%. Without applying any of the pipeline and retention compliance mechanisms, project Local Hire Participation at 45%; (2) City's Local Hiring Ordinance requirement for apprentices is 50%. Without applying any of the pipeline and retention compliance mechanisms, project Local Apprentice participation is 73%; and (3) D10 residents worked 40% of all hours worked by San Francisco residents, and D10 apprentices worked 26% of all hours worked by San Francisco residence apprentices.

Southeast Community Center: SSIP Overall: LBEs – Contractors: (1) Project LBE requirement of 20%, with current LBE participation 31%; (2) 24 LBEs awarded 28 contracts, with 16 D10 LBEs awarded 17 contracts; and (3) \$198M awarded to LBEs with \$14.9M awarded to D10 LBEs.

Mr. Ordikhani displayed a video highlighting several employees and their words describing the impacts of the project on their lives.

Commissioner Paulson thanked Mr. Ordikhani for his presentation. He noted all the work is done under a Project Labor Agreement (PLA) that guarantees good wages, training, and benefits. He noted the SFPUC is a model for building infrastructure with public funds.

President Maxwell encouraged the Commission to go to the worksite and described her COVID screening prior to going into the site. She discussed her experience meeting the employees and the SFPUC's commitment to Black and Brown lives.

Commissioner Harrington echoed President Maxwell and Commissioner Paulson's statements. He noted the amount of time and work that has gone into the project and thanked staff.

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

None.

Public Comment

Francisco DaCosta referenced an audit conducted by Harvey Rose's office on workforce training in the City. He discussed the increase of the SSIP budget and indicated a needs assessment needs to be conducted. He discussed Mlok Consulting, staff reassignments, apprentices, and PLAs.

9. New Commission Business

None.

10. Consent Calendar

- a) Approve Modification No. 1 to Job Order Contract (JOC), JOC-63, General Building (B-License) for San Francisco, San Mateo, Santa Clara and Alameda Counties, with Angotti & Reilly, Inc., to complete ongoing facility and asset improvements, increasing the contract duration by one year, for a total contract duration of five years, in accordance with San Francisco Administrative Code 6.62, with no change to the contract amount. ([Resolution 20-0206](#))
- b) Approve the plans and specifications, and award Contract No. WD-2858R, Sunol Valley Water Treatment Plant Water Quality Modular Office, in the amount of \$1,096,200 and with a duration of 220 consecutive calendar days (approximately seven months), to the responsible bidder submitting the lowest responsive bid, Alta Group, Inc., to furnish and install trailers and construct associated work. This action constitutes the Approval Action for the project for the purposes of CEQA, pursuant to Section 31.04(h) of the San Francisco Administrative Code. ([Resolution 20-0207](#))
- c) Accept work performed by JMB Construction, Inc., for Contract No. WW-625, Oceanside Water Pollution Control Plant Flare Control and Stack Upgrade; approve Modification No. 5 (Final), decreasing the contract amount by \$104,418 for a total contract amount of \$3,521,702 with no change to the total contract duration of 880 consecutive calendar days; and authorize final payment to the contractor. ([Resolution 20-0208](#))

No public comment.

*On motion to approve Consent Calendar items 10a through 10c
Ayes: Maxwell, Moran, Paulson and Harrington*

11. Approve Amendment No. 4 to Agreement No. CS-200, Right of Way Services, with Associated Right of Way Services, Inc., to continue to provide right-of-way services for San Francisco Public Utilities Commission capital program and other projects; and authorize the General Manager to execute this amendment, extending the agreement duration by 11 months, for a total duration of nine years and 11 months, with no change to the agreement amount. ([Resolution 20-0209](#))

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

No public comment.

On motion to approve item 11

Ayes: Maxwell, Moran, Paulson and Harrington

12. Approve the plans and specifications, and award Contract No. HH-1000R, Mountain Tunnel Improvements Project, in the amount of \$138,973,189 and with a duration of 2,160 consecutive calendar days, to the responsible bidder submitting the lowest responsive bid, Michels Tunneling, to rehabilitate and make improvements to the existing tunnel. ([Resolution 20-0210](#))

Kathy How, Assistant General Manager (AGM), Infrastructure, introduced the item and requested approval.

AGM How responded to a question from Commissioner Paulson as to whether the contract is under the Water System Improvement Program.

AGM How responded to a question from Commissioner Harrington as to why the final bids were down to two, after six pre-qualifications and four original bids were received.

AGM How responded to a question from President Maxwell regarding the discrepancy in the amount of the bids received.

Public Comment

- *Nicole Sandkulla, BAWSCA CEO, expressed support for the Mountain Tunnel and the project and requested approval.*

On motion to approve item 12

Ayes: Maxwell, Moran, Paulson and Harrington

13. Authorize submittal of an application to the U.S. Department of Interior Bureau of Land Management, in coordination with the National Park Service, to correct the mapped boundary of the Canyon Power Tunnel and Aqueduct right-of-way over federal lands in Yosemite National Park to reflect the as-built condition of the Canyon Tunnel under 43 CFR part 2807.11(e); and authorize the General Manager to seek Board of Supervisors approval of the acceptance of the corrected right-of-way under Charter Section 9.118. ([Resolution 20-0211](#))

DGM Carlin introduced the item and requested approval.

None.

On motion to approve item 13

Ayes: Maxwell, Moran, Paulson and Harrington

14. Discussion and possible action to authorize the General Manager to execute an Installment Sale Agreement to secure a Clean Water State Revolving Fund (SRF) Loan for the Wastewater Enterprise (WWE) Southeast Treatment Plant New Headworks Replacement Project in an amount not-to-exceed \$112,036,181, and with a 30-year term and an interest rate of 1.10%. ([Resolution 20-0212](#))

Rich Morales, SFPUC Debt Manager, provided background information on the SRF Loan. He reviewed the proposed new SRF Loan of \$112,036,181 to fund WWE SSIP Headworks Project. He indicated it pairs with \$318M federal WIFIA loan to provide low-cost funding for 64% of \$618M total project cost. The SRF has a loan rate of 1.10% for 30 years, which compares favorably against 3.50% Revenue Bond 30-year rate. He concluded with a review of the sources of funding for the Headworks Project (SRF Loan, WIFIA Loan and Revenue Bonds).

Mr. Morales responded to a question from President Maxwell regarding the SRF reimbursement.

Commissioner Harrington thanked Mr. Morales for the positive news on the low interest rate. He asked Mr. Morales to prepare a report to address the expanded Charter authority (8b.124) to allow for the issuance of debt in a more flexible way to include non-traditional infrastructure activities.

No public Comment.

On motion to approve item 14

Ayes: Maxwell, Moran, Paulson and Harrington

15. Approve the award of a five-year lease to the Central Network Retail Group, a Delaware limited liability company doing business as Outdoor Supply Hardware, for use of an approximately 35,962 square-foot retail store plus an adjacent fenced yard, loading dock area, and a common area parking lot at 900 El Camino Real, in Millbrae, California at an initial annual Base Rent of \$188,000, with two months' initial free rent, and 3% annual Base Rent increases, and Additional Rent consisting of 5% of the tenant's annual gross revenues above \$12 million. The proposed lease includes three, one-year options to extend the term subject to certain conditions and subject to approval by the SFPUC and Board of Supervisors under Charter Section 9.118(c), for a total potential lease term of eight years. ([Resolution 20-0213](#))

DGM Carlin discussed the history of the item and requested approval.

DGM Carlin and Deputy City Attorney Gessner responded to a question from Commissioner Paulson as to whether staff has investigated whether the company pays prevailing wages (minimum compensation ordinance).

No public comment.

On motion to approve item 15

Ayes: Maxwell, Moran, Paulson and Harrington

16. Public comment on matters to be addressed during Closed Session

None.

17. 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: Maxwell, Moran, Paulson and Harrington

The Commission entered Closed Session at 3:23 PM.

18. Conference with Legal Counsel - Pursuant to California Government Code Section 54956.9 (d) (1) and San Francisco Administrative Code Section 67.10 (d) (1) Existing Litigation

State Water Board Cases, Sacramento Superior Court, JCCP No. 5013 (originally filed on January 10, 2019 in Tuolumne Superior Court as San Joaquin Tributaries Authority, et al v. California State Water Resources Control Board, Case No. CU62094)

19. Conference with Legal Counsel – Pursuant to California Government Code, Section 54956.9(a), and San Francisco Administrative Code, Section 67.10(d)(1)

Conferring with, or receiving advice from, the City Attorney regarding the following existing litigation in which the City is a petitioner and Pacific Gas & Electric Company is an adverse party: In re: PG&E Corporation and Pacific Gas & Electric Company, United States Bankruptcy Court, Northern District of California, Case No. 9-30088-DM, filed January 29, 2019; Federal Energy Regulatory Commission Case No. EL 19-38-000, filed January 28, 2019; Federal Energy Regulatory Commission Case No. ER18-1482-000, filed April 30, 2018; Federal Energy Regulatory Commission Case No. ER18-1102-000, filed March 15, 2018; Federal Energy Regulatory Commission Case No. ER18-790-000, filed, February 2, 2018; Federal Energy Regulatory Commission Case No. ER18-768-000, filed January 31, 2018; Federal Energy Regulatory Commission Case No. ER18-198-000, filed October 31, 2017; Federal Energy Regulatory Commission Case No. ER17-2406-000, filed August 31, 2017; Federal Energy Regulatory Commission Case No. ER17-2181-000, filed July 31, 2017; Federal Energy Regulatory Commission Case No. ER17-2204, filed July 31, 2017; Federal Energy Regulatory Commission Case No. ER17-1509-000, filed May 1, 2017; Federal Energy Regulatory Commission Case No. ER17-910-000, filed January 31, 2017; Federal Energy Regulatory Commission Case No. EL 15-3-000, filed October 10, 2014; Federal Energy Regulatory Commission Case No. ER15-702-000, filed December 23, 2014; Federal Energy Regulatory Commission Case No. ER15-703-000, filed December 23, 2014; Federal Energy Regulatory Commission Case No. ER15-704-000, filed December 23, 2014; Federal Energy Regulatory Commission Case No. ER15-705-000, filed December 23, 2014; Federal Energy Regulatory Commission Case No. ER15-735-000, filed December 23, 2014; California Public Utilities Commission Case No. 1.15-08-019, filed February 25, 2015; California Public Utilities Commission Case No. R.18-10-007, filed October 25, 2018; California Public Utilities Commission Case No. R.19-01-006, filed January 10, 2019; and California Public Utilities Commission Case No. R.19-09-016, filed January 10, 2019

The Commission exited Closed Session at 3:59 PM.

20. Announcement following Closed Session

President announced that no action was taken during Closed Session.

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

Ayes: Maxwell, Moran, Paulson and Harrington

22. Adjournment

President Maxwell adjourned the meeting at 4:00 PM.