[Memorandum of Agreement - City of Daly City - Vista Grande Drainage Basin Improvement Project - Not to Exceed \$35,000,000]

Resolution approving and authorizing the General Manager of the San Francisco Public Utilities Commission to execute, on behalf of the City and County of San Francisco, a Memorandum of Agreement with the City of Daly City for the funding, construction, and operation of the Vista Grande Drainage Basin Improvement Project, for a not to exceed amount of \$35,000,000, with a duration of five years starting August 4, 2025, through August 31, 2030, pursuant to Section 9.118 of the Charter.

WHEREAS, The Vista Grande Drainage Improvement Project (Project) will provide a framework for the San Francisco Public Utilities Commission (SFPUC) and the City of Daly City (Daly City) to work collaboratively to alleviate flooding in the Vista Grande Basin within Daly City and the SFPUC's Lake Merced Tract, and will also facilitate augmentation and management of Lake Merced water levels using sustainable supplies of Daly City's stormwater; and

WHEREAS, In 1930, the SFPUC purchased the Lake Merced Tract from the Spring Valley Water Company and has historically used Lake Merced as a potable water supply; and

WHEREAS, Lake Merced is a surface water body that is connected to groundwater within the Westside Groundwater Basin (Basin, California Department of Water Resources Basin No. 2-35) in western San Francisco and northern San Mateo counties; and

WHEREAS, A fraction of surface water inflows to Lake Merced percolates to underground storage in the Basin through the bed of the lake; and

WHEREAS, Today, the SFPUC maintains Lake Merced for the beneficial uses of recreation and wildlife habitat and continues to maintain the capability of using surface water

from the lake as a non-potable emergency water supply through use of the Lake Merced Pump Station; and

WHEREAS, Historical declines in Lake Merced water levels, generally attributable to diversion of stormwater away from Lake Merced following construction of the Vista Grande Canal and Tunnel in 1897, 20th century urban development in San Francisco and Daly City, drought conditions, and regional groundwater pumping, have generated concern regarding the long-term viability of Lake Merced; and

WHEREAS, The Project is intended to route stormwater from the Vista Grande Canal to South Lake Merced as well as to the Pacific Ocean, reduce uncontrolled overflows from the Vista Grande Canal into Lake Merced, achieve sustained increase in Lake Merced lake levels, improve storm water quality, and further the restoration of the drainage basin's natural hydrology; and

WHEREAS, The Project operates to mitigate impacts from SFPUC's implementation of the Regional Groundwater Storage and Recovery and San Francisco Groundwater Project, by increasing water surface elevations in Lake Merced; and

WHEREAS, Both Daly City and the SFPUC wish to memorialize their respective obligations as follows: 1) Daly City to construct and implement the Project, 2) Daly City and SFPUC to share water quality and hydrologic data related to Lake Merced, 3) SFPUC's financial contribution towards Project construction, and, 4) affirm commitments to sustainably operate the portion of the Basin within their respective jurisdictions while protecting the beneficial uses of Lake Merced; and

WHEREAS, On December 11, 2017, Daly City acting as the California Environmental Quality Act (CEQA) lead agency, certified a Final Environmental Impact Report/Environmental Impact Statement (Final EIR/EIS) for the Project prepared pursuant to CEQA, by

Resolution 17-200, and subsequently prepared and adopted an Addendum to the Final EIR/EIS on June 9, 2025; and

WHEREAS, Daly City has adopted CEQA findings, and mitigation measures included in the Final EIR/EIS to avoid or substantially lessen the significant environmental effects identified in the Final EIR/EIS, as set forth in the Mitigation Monitoring and Reporting Program, and has assumed responsibility for their implementation; and

WHEREAS, Authorization of the Memorandum of Agreement (MOA) is within the scope of the project authorized under the Final EIR/EIS and Addendum to the Final EIR/EIS; and

WHEREAS, Since Daly City adopted the Final EIR/EIS and Addendum to the Final EIR/EIS, there have been no substantial changes in the Project or changes in Project circumstances that would result in new significant environmental effects or an increase in the severity of previously identified significant impacts, and there is no new information of substantial importance that would change the conclusions set forth in the Final EIR/EIS and Addendum to the Final EIR/EIS; and

WHEREAS, The SFPUC has no direct authority or responsibility with respect to the proposed Project or any Project mitigation measures under CEQA other than to enable Daly City, through the MOA, to carry out the proposed Project; and

WHEREAS, The current estimated project construction cost for the Project is \$130,000,000, and SFPUC's contribution is \$35,000,000 based on the water resource benefits that will accrue to the SFPUC in the form of increased groundwater storage in the Basin and additional emergency water supplies; and

WHEREAS, Construction work is anticipated to begin on August 4, 2025, and end in August 31, 2030, and the total duration of this agreement is five years; and

WHEREAS, Funds for this agreement will be available at the time of award from Project No. CUW30101 Lake Merced Water Level Restoration Project; and

WHEREAS, Charter, Section 9.118(b) requires Board of Supervisors' approval by Resolution of any contract which, when entered into, extends over 10 years, and of any contract which, when entered into, costs the City \$10,000,000 or more; and

WHEREAS, The draft MOA contained in File No. 250775, is substantially in final form, with all material terms and conditions included, and only remains to be executed by the parties upon approval of this Resolution; and

WHEREAS, On July 8, 2025, by Resolution No. 25-0113, the SFPUC Commission approved and authorized the General Manager of the SFPUC to execute on behalf of the City and County of San Francisco, the MOA with Daly City for the funding, construction, and operation of the Project, with a duration of five years starting August 4, 2025, through August 31, 2030, pursuant to Section 9.118 of the Charter; now, therefore, be it

RESOLVED, That the Board of Supervisors hereby approves and authorizes the General Manager of the SFPUC to execute on behalf of the City and County of San Francisco, the MOA with Daly City for the funding, construction, and operation of the Project, with a duration of five years starting August 4, 2025, through August 31, 2030; and, be it

FURTHER RESOLVED, That within 30 days of the Agreement being fully executed by all parties, the SFPUC shall provide signed copies to the Clerk of the Board for inclusion in the official file.



## City and County of San Francisco **Tails**

City Hall 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102-4689

## Resolution

File Number:

250775

Date Passed: October 21, 2025

Resolution approving and authorizing the General Manager of the San Francisco Public Utilities Commission to execute, on behalf of the City and County of San Francisco, a Memorandum of Agreement with the City of Daly City for the funding, construction, and operation of the Vista Grande Drainage Basin Improvement Project, for a not to exceed amount of \$35,000,000, with a duration of five years starting August 4, 2025, through August 31, 2030, pursuant to Section 9.118 of the Charter.

October 02, 2025 Government Audit and Oversight Committee - RECOMMENDED

October 21, 2025 Board of Supervisors - ADOPTED

Ayes: 10 - Chan, Chen, Dorsey, Fielder, Mahmood, Mandelman, Melgar, Sauter, Sherrill and Walton

File No. 250775

I hereby certify that the foregoing Resolution was ADOPTED on 10/21/2025 by the Board of Supervisors of the City and County of San Francisco.

> Angela Calvillo Clerk of the Board

**Daniel Lurie** Mayor

**Date Approved**