File No. 100606

Committee Item No. 2
Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Sub-Committee: BUDGET AND FINANCE **Date:** July 21, 2010

BOARD OF SUPERVISORS MEETING **Date:** _____

Cmte	Board	
☐	☐	Motion
☒	☐	Resolution
☐	☐	Ordinance
☐	☐	Legislative Digest
☒	☐	Budget Analyst Report
☐	☐	Legislative Analyst Report
☐	☐	Introduction Form (for hearings)
☒	☐	Department/Agency Cover Letter and/or Report
☐	☐	MOU
☐	☐	Grant Information Form
☐	☐	Grant Budget
☐	☐	Subcontract Budget
☐	☐	Contract/Agreement
☐	☐	Award Letter
☐	☐	Application
☐	☐	Public Correspondence

OTHER (Use back side if additional space is needed)

☒	☐	Environmental Impact Report*
☐	☐	
☐	☐	
☐	☐	
☐	☐	

Completed by: Andrea S. Ausberry **Date** Friday, July 16, 2010
Completed by: _____ **Date** _____

An asterisked item represents the cover sheet to a document that exceeds 25 pages. The complete document is in the file.

[California Environmental Quality Act Findings for San Francisco Public Utilities Commission Crystal Springs/San Andreas Transmission Upgrade Project.]

Resolution adopting findings under the California Environmental Quality Act (CEQA), including the adoption of a mitigation monitoring and reporting program and a statement of overriding considerations related to the Crystal Springs/San Andreas Transmission Upgrade Project, part of the Water System Improvement Program for the improvements to the regional water supply system, otherwise known as Project No. CUW37101, including the Mitigation Habitat Actions at two sites in San Mateo County; and directing the Clerk of the Board of Supervisors to notify the Controller of this action.

WHEREAS, The San Francisco Public Utilities Commission (SFPUC) has developed a project description for the Crystal Springs/San Andreas Transmission Upgrade Project, Project No CUW37101, a water infrastructure project included as part of the Water System Improvement Program (WSIP) (the "Project"). The Project is located in San Mateo County, and includes the following key components: seismic improvements and addition of isolation capability to the Upper Crystal Springs Dam Culverts; seismic and operational upgrades to Crystal Springs Outlet Structures 1 and 2; construction of a new Crystal Springs Pump Station and related facility upgrades, including, construction of a new substation and related transmission facilities, and replacement of the existing dissipation structure for releases into San Mateo Creek, enabling the SFPUC to meet California Division of Safety of Dams requirements for dam facilities in an emergency drawdown scenario; seismic upgrades and general repairs to the Crystal Springs San Andreas (CS/SA) Pipeline, as well as new access roads to the CS/SA Pipeline for planned and unplanned maintenance and repair of pipeline following earthquake damage; and seismic upgrades to San Andreas Outlet Structures 2 and 3, including improvements at both the outlet towers and the tunnel portals located at the Harry

Tracy Water Treatment Plant site. Project construction would be completed within three years. Some construction activities would occur concurrently over the five project component sites and other activities require sequential implementation; and

WHEREAS, The objectives of the Project are to improve delivery reliability and provide operational flexibility during maintenance activities or unplanned outages, as well as to replenish local reservoirs after such events; and

WHEREAS, An environmental impact report ("EIR") as required by the California Environmental Quality Act ("CEQA") was prepared for the Project in Planning Department File No. File No. 2007.1255E; and

WHEREAS, The Final EIR ("FEIR") was certified by the San Francisco Planning Commission on April 22, 2010 by Motion 18075; and

WHEREAS, The FEIR prepared for the Project is tiered from the WSIP Program Environmental Impact Report ("PEIR") certified by the Planning Commission on October 30, 2008 by Motion No. 17734; and

WHEREAS, Thereafter, the SFPUC approved the WSIP and adopted findings and a Mitigation Monitoring and Reporting Program (PEIR MMRP) as required by CEQA on October 30, 2008 by Resolution No. 08-200; and

WHEREAS, On May 11, 2010, the San Francisco Public Utilities Commission (SFPUC), by Resolution No. 10-0081, a copy of which is included in Board of Supervisors File No. 100606 and which is incorporated herein by this reference: (1) approved the Project; (2) adopted findings (CEQA Findings), including a statement of overriding considerations, and a Mitigation Monitoring and Reporting Program (MMRP) required by CEQA; and

WHEREAS, The Project files, including the FEIR, PEIR and SFPUC Resolution No. 10-0081 have been made available for review by the Board and the public, and those files are considered part of the record before this Board; and

WHEREAS, At the time of Project approval, SFPUC staff anticipates that implementation of the Project is likely to include, but may not be limited to, Mitigation Habitat Actions at two identified sites: (1) San Andreas Reservoir Site, and (2) Adobe Gulch Site. The San Andreas Reservoir Site is an approximately 6-acre area located adjacent to the northwestern edge of the San Andreas Reservoir in the northern portion of the Peninsula watershed, and would include scrub and grassland removal, creation of at least three acres of wetlands and planting of other wetland and riparian vegetation. The Adobe Gulch Site is an approximately 60-acre area located near Highway 92 in the southwestern portion of the Peninsula watershed and would include removal of scrub habitat and non-indigenous trees, planting of oaks and other vegetation and enlargement and creation of wetlands; and these sites were selected and designed using the conservation principles required by the PEIR and subsequent SFPUC adoption of the PEIR MMRP, which prescribe a coordinated approach in developing mitigation for biological resource impacts of individual WSIP facility projects in order to avoid habitat fragmentation, preserve wildlife movement corridors and allow for plants and wildlife to disperse over large contiguous habitat areas. Therefore, it is necessary and appropriate for the SFPUC to implement compensatory mitigation habitat improvements at these sites to minimize overall environmental impacts, and to achieve the overall habitat preservation and creation functions of the site(s), notwithstanding that mitigation at these sites may be in excess of resource agency requirements for the Project or other future SFPUC projects. By authorizing implementation of the full mitigation site(s) in connection with the Project, once approved by the resource agencies, neither the SFPUC nor this Board make any commitment to approve any other WSIP project or mitigation, nor do the SFPUC and this Board make any determination as to the adequacy of the San Andreas Reservoir or Adobe Gulch compensation sites as mitigation for any other WSIP project, and both the SFPUC and this Board retain full discretion to consider the environmental documents for other WSIP

projects, including but not limited to mitigation measures therein, and to approve or disapprove the project and the compensatory mitigation habitat proposed for impacts resulting from those projects. Funding for the Mitigation Habitat Actions will be provided, in part, from Project No. CUW3880100, referred to as the Habitat Reserve Program in the Supplemental Appropriation Ordinance 0092-10; and

WHEREAS, The Board of Supervisors has reviewed and considered the information and findings contained in the FEIR, PEIR and SFPUC Resolution No. 10-0081, and all written and oral information provided by the Planning Department, the public, relevant public agencies, SFPUC and other experts and the administrative files for the Project; and

WHEREAS, This Board of Supervisors adopted Ordinance No. 0092-10 that placed WSIP appropriated funds on Controller's Appropriation Reserve, by project, making release of appropriation reserves by the Controller subject to the prior occurrence of: (1) the SFPUC's and the Board's discretionary adoption of CEQA Findings for each project, following review and consideration of completed project-related environmental analysis, pursuant to CEQA, the State CEQA Guidelines, and Chapter 31 of the San Francisco Administrative Code, where required, and (2) the Controller's certification of funds availability, including proceeds of indebtedness. The ordinance also placed any project with construction costs in excess of $100 million on Budget and Finance Committee reserve pending review and reserve release by that Committee. Therefore, the SFPUC has sent a letter to the Budget and Finance Committee requesting review and release of the portion of those funds necessary for Project No. CUW37101; now, therefore, be it

RESOLVED, That the Board of Supervisors has reviewed and considered the FEIR and record as a whole, finds that the FEIR is adequate for its use as the decision–making body for the action taken herein including, but not limited to, approval of the Project and adopts and incorporates by reference as though fully set forth herein the CEQA Findings,

including the statement of overriding considerations, and the MMRP contained in Resolution No. 10-0081; and be it

FURTHER RESOLVED, That the Board finds that the Project mitigation measures set forth in the FEIR and the MMRP, including but not limited to the Mitigation Habitat Actions, and adopted by the SFPUC and herein by this Board will be implemented as reflected in and in accordance with the MMRP; and be it

FURTHER RESOLVED, The Board finds that since the FEIR was finalized, there have been no substantial project changes and no substantial changes in Project circumstances that would require major revisions to the FEIR due to the involvement of 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 FEIR; and be it

FURTHER RESOLVED, That the Board directs the Clerk of the Board to forward this Resolution to the Controller.

Items 1 and 2 Files 10-0604 and 10-0606	Department(s): Public Utilities Commission (PUC)

EXECUTIVE SUMMARY

Legislative Objectives

- File 10-0604: Request to release $170,549,282 on Budget and Finance Committee reserve for the construction of the Crystal Springs/San Andreas Transmission (CSSAT) System Upgrade Project.

- File 10-0606: Resolution adopting findings under the California Environmental Quality Act (CEQA) for the CSSAT System Upgrade Project, and directing the Clerk of the Board of Supervisors to notify the Controller of this action.

Key Points

- The CSSAT System Upgrade Project provides for (a) the replacement of an existing pump station and associated PG&E electrical substation at the base of the Lower Crystal Springs Dam, and (b) seismic reinforcement of existing water outlet structures and pipelines at three PUC reservoirs. The total estimated cost of the project is $192,070,722, including (a) $147,668,602 in estimated construction costs, and (b) $44,402,120 in non-construction costs such as design and construction management costs.

- The Board of Supervisors has previously appropriated the total estimated costs of $192,070,722 for the CSSAT System Upgrade Project. In its last appropriation to the project on April 20, 2010 (File 10-0337), the Board of Supervisors appropriated $170,549,282, including (a) $147,668,602 in estimated construction costs which were placed on reserve, and (b) $22,880,680 for non-construction costs not reserved. The PUC inadvertently requested the release of the entire last appropriation of $170,549,282 instead of the amount on reserve for construction costs of $147,668,602.

- Since the last time funds were appropriated by the Board of Supervisors, the estimated construction costs for the CSSAT System Upgrade Project have increased by $208,500 from $147,668,602 to $147,877,102. However, the PUC estimates that reductions in non-construction costs will offset the increased construction costs such that estimated the total project cost remains $192,070,722. Actual construction costs will be known after the PUC receives construction bids on July 29, 2010. In order to maintain the project's schedule, the PUC must award a construction contract in September of 2010.

Recommendations

- Reduce the requested release of reserved funds from $170,549,282 to $147,668,602 (File 10-0604).

- In order to release the correct amount of construction funds without delaying the project, replace the existing Budget and Finance Committee reserve with a Controller's reserve, and instruct the Controller to, after receiving supporting documentation from the PUC, (a) release funds equal to the lowest responsive construction bid, plus a 10 percent contingency, plus $4,000,000 for replacement of the PG&E substation which is not included in the construction contract, and (b) return any remaining funds to a Budget and Finance Committee reserve.

- Approve the proposed resolution adopting the findings under CEQA (File 10-0606).

BACKGROUND

According to Mr. Carlos Jacobo, Budget Director at the PUC, the Crystal Springs / San Andreas Transmission System Upgrade Project is one of 85 projects included in the PUC's Water System Improvement Program (WSIP)[1].

The Upper Crystal Springs Reservoir, Lower Crystal Springs Reservoir, and the San Andreas Reservoir, all located in San Mateo County, serve primarily as the supplementary water supply for the San Francisco Peninsula (the primary water supply is the Hetch Hetchy Water System). The Crystal Springs/San Andreas Transmission (CSSAT) System is composed of the pumps, valves, pipelines, tunnels, and outlet structures (which allow water to be withdrawn from the reservoirs) necessary to move water from the Upper Crystal Springs Reservoir to the Lower Crystal Springs Reservoir, and then from the Lower Crystal Springs Reservoir to the San Andreas Reservoir. The water in the San Andreas Reservoir is ultimately moved, through a separate transmission system, to the Harry Tracy Water Treatment Plant for treatment, then delivered to customers in the City and County of San Francisco and northern San Mateo County. The Crystal Springs / San Andreas Transmission System Upgrade Project provides for seismic improvements for the CSSAT System, including (a) the replacement of an existing pump station at the base of the Lower Crystal Springs Dam, increasing the pumping capacity from the current 80,000,000 gallons of water per day to 120,000,000 gallons of water per day, (b) replacing the existing Pacific Gas & Electric (PG&E) electrical substation and associated transmission lines at the base of the Lower Crystal Springs Dam in order to provide the increased electricity needed to power the increased capacity new pump station discussed above, and (c) seismic reinforcement of existing water outlet structures and pipelines at the three reservoirs.

The current total estimated cost of the Crystal Springs / San Andreas Transmission System Upgrade Project is $192,070,722. On April 20, 2010, the Board of Supervisors approved the final appropriation to various WSIP projects in the amount of $1,647,249,198 (File 10-0337), such that, including all previous WSIP appropriations, the total WSIP budget of $4,585,556,261 has now been appropriated to the PUC, including the total estimated $192,070,722 for the subject CSSAT System Upgrade Project. The Board of Supervisors also placed on Budget and Finance Committee reserve all construction funds for projects which reserved appropriations than $100,000,000 under File 10-0337, including the Crystal Springs / San Andreas Transmission System Upgrade Project, such that out of the last $170,549,282 appropriated to the CSSAT System Upgrade Project, (a) $147,668,602 in estimated construction costs were placed on reserve, and (b) $22,880,680 for non-construction costs were not reserved. The Table 1 below summarizes the previously approved appropriations to the CSSAT System Upgrade Project.

[1] Propositions A and E, which were approved by the San Francisco voters on November 4, 2002, authorized the issuance of Water Revenue Bonds to finance the PUC's $4,585,556,261 WSIP, consisting of 85 separate projects designed to provide increased water delivery and seismic reliability throughout the Hetch Hetchy water system. The approved budget for all WSIP projects is $4,585,556,261, however the most recent quarterly report published by the PUC on May 18, 2010, estimates that WSIP will have a total cost of $4,576,324,000.

Table 1: Previous Appropriations to the CSSAT System Upgrade Project

Appropriation	Construction Funds On Budget and Finance Committee Reserve	Non-Construction Funds Not On Budget and Finance Committee Reserve	Total Appropriation
Previous Appropriations Except File 10-0337 (below)	$0	$21,521,440	$21,521,440
Last Appropriation by the Board of Supervisors on April 20, 2010 (File 10-0337)	147,668,602	22,880,680	170,549,282
Total	**$147,668,602**	**$44,402,120**	**$192,070,722**

The PUC is now requesting the release of the funds on Budget and Finance Committee reserve for the CSSAT System Upgrade Project (File 10-0604).

In addition to the Budget and Finance Committee reserve for construction funds imposed by the Board of Supervisors under File 10-0337, the Board of Supervisors also placed on Controller's reserve all funds for projects requiring Environmental Impact Reports (EIRs) under the California Environmental Quality Act (CEQA) pending approval of the project EIR by the Board of Supervisors. The PUC is now requesting approval of the findings under the California Environmental Quality Act (CEQA) for the Crystal Springs / San Andreas Transmission System Upgrade Project, such that the Controller can release the funds on Controller's reserve.

DETAILS OF PROPOSED LEGISLATION

According to Mr. Jacobo, the PUC's letter requesting the release of reserved funds inadvertently requests the release of the entire last previous appropriation of $170,549,282 instead of the current amount on reserve for construction costs of $147,668,602. Therefore the Budget and Legislative Analyst recommends reducing the requested release of funds by $22,880,680, from $170,549,282 to $147,668,602. The remainder of this report refers to the current amount on Budget and Finance Committee reserve of $147,668,602, as shown in Table 1 above.

The PUC is now requesting that the Budget and Finance Committee release the remaining $147,668,602 currently held on reserve to fund the construction of the Crystal Springs / San Andreas Transmission System Upgrade Project (File 10-0604).

According to Mr. Jacobo, the estimated cost of construction has increased by $208,500 since the time funds were appropriated, from $147,668,602 (the amount of construction funds on reserve as shown in Table 1 above) to $147,877,102. Mr. Jacobo stated that the PUC anticipates that savings in non-construction costs (such as construction management and City staff costs) will offset the increased construction costs, such that the total project costs remains the same at $192,070,722. Table 2 below shows the current estimated project costs, of $192,070,722, including the increased construction costs totaling $147,877,102.

Table 2: Estimated Project Costs

Non-Construction Costs	
Planning, Design, and Engineering	$15,670,000
Environmental Mitigation	4,436,000
Construction and Project Management	24,087,620
Subtotal	$44,193,620
Construction Costs	
Construction Contract	130,797,365
Construction Contingency – 10 percent	13,079,737
PG&E Substation Replacement[2]	4,000,000
Subtotal	$147,877,102
Total	$192,070,722

The Budget and Legislative Analyst notes that while estimated construction costs have increased since the time funds were appropriated, the actual construction costs will not be known until after the PUC receives construction bids. The PUC (a) issued a competitive request for construction bids on June 18, 2010, with bids due by July 29, 2010, and (b) anticipates awarding a construction contract in the estimated amount of $130,797,365 (as shown in Table 2 above) by September of 2010. The Budget and Legislative Analyst notes the approval of this construction contract is not subject to Board of Supervisors approval because the PUC is authorized to award construction contracts, using the City's competitive bidding procedures, without subsequent Board of Supervisors approval, under Section 9.118(b) of the San Francisco Charter.

The PUC is also requesting the Board of Supervisors approval of the proposed resolution (File 10-0606) to adopt the findings included in the CEQA-required environmental report for the Crystal Springs / San Andreas Transmission System Upgrade Project (File 10-0606). According to Mr. Jacobo, the San Francisco Planning Commission approved the CEQA required environmental report on May 11, 2010, which identifies project modifications necessary to mitigate the environmental impact of the subject Project.

Mr. Jacobo advises that environmental mitigation work and project modifications required by the environmental permits are not anticipated to alter the total current estimated total project cost of $192,070,722 or the estimated project completion date of April of 2014. The proposed CEQA resolution would also require the Clerk of the Board to notify the Controller that the Board of Supervisors approved the proposed resolution because the WSIP project funds previously appropriated for the Crystal Springs / San Andreas Transmission System Upgrade Project were placed on Controller's reserve, pending the Board of Supervisors' adoption of the relevant CEQA report.

FISCAL IMPACTS

Approval of the this request would result in the release of $147,668,602 in reserved funds from Water Revenue Bonds previously appropriated by the Board of Supervisors. As discussed above, because estimated construction costs have increased by $208,500 since the time funds were appropriated and placed on reserve, Table 2 above shows a total of $147,877,102,

[2] According to Mr. Jacobo, the PG&E substation replacement work is separate from the construction contract to be awarded by the PUC because PG&E requires that modifications to PG&E facilities be performed by PG&E.

including (a) $130,797,365 in estimated construction contract costs, (b) $13,079,737 for a 10 percent construction contingency, and (c) $4,000,000 for PG&E's cost to replace the substation at the Lower Crystal Spring Pump Station. Mr. Jacobo stated that the PUC estimates that reductions in non-construction costs will offset the increased construction costs, such that the total estimated project cost remains at $192,070,722.

Debt service on the Water Revenue Bonds totaling $4,585,556,261 issued by the PUC to fund all WSIP projects, including $190,070,722 in total estimated project costs for the Crystal Springs / San Andreas Transmission System Upgrade Project as shown in Table 2 above, will be paid through water rates[3] charged to PUC's water customers.

OTHER CONSIDERATIONS

The Budget and Finance Committee did not specify criteria for the release of the subject construction funds when they were placed on reserve.

The Budget and Legislative Analyst notes that when the subject funds were placed on reserve on April 20, 2010, (a) the required CEQA reports were not completed, (b) the Crystal Springs / San Andreas Transmission System Upgrade Project was estimated to cost a total of $192,070,722, and (c) the Project was anticipated to be completed by April of 2014. As discussed above, (a) approval of the proposed resolution (File 10-0606) would adopt environmental findings required by CEQA, (b) the Project has a current total estimated project cost which remains unchanged at $192,070,722, and (c) the estimated completion date remains unchanged at April of 2014.

The actual construction costs will be known after the PUC receives construction bids, which are currently due on July 29, 2010.

The Budget and Legislative Analyst notes the Board of Supervisors could review the requested release of reserved funds based on actual construction costs, instead of current estimated construction costs, after the PUC receives construction bids, which are currently due on July 29, 2010.

The Budget and Legislative Analyst would have recommended continuing the requested release of reserved construction funds until the PUC receives the actual construction bids on July 29, 2010. However, according to Mr. Jacobo, the PUC wants to award a construction contract in September in order to maintain the project's schedule. Therefore, according to Mr. Jacobo, a continuance of the PUC request could result in delays to the project due to (a) potential extensions in the bid deadline, and (b) the period in late August when the Board of Supervisors is in recess.

As such, the Budget and Legislative Analyst instead recommends replacing the existing Budget and Finance Committee reserve with a Controller's reserve, instructing the Controller to, after

[3] Water rates through FY 2013-2014 were considered approved by the Board of Supervisors on June 5, 2009 because, pursuant to Proposition E approved by the voters on November 5, 2002, the rates were not rejected within 30 days of their submission to the Board of Supervisors.

receiving supporting documentation from the PUC, (a) release an amount equal to the lowest responsive construction bid received by the PUC , plus a 10 percent construction contingency[4], and plus $4,000,000 for the estimated cost for replacing the PG&E substation which is not included in the anticipated construction bid, and (b) return any remaining funds to a Budget and Finance Committee reserve.

RECOMMENDATIONS

1. Reduce the requested release of reserved funds by $22,880,680, from $170,549,282 to $147,668,602 (File 10-0604), and release the requested $147,668,602 on reserve.

2. Replace the existing Budget and Finance Committee reserve with a Controller's reserve, and instruct the Controller to, after receiving supporting documentation from the PUC, (a) release the amount of construction funds equal to the lowest responsive construction bid received by the PUC, plus a 10 percent construction contingency, and plus $4,000,000 for the estimated cost for replacing the PG&E substation which is not included in the anticipated construction bid, and (b) return any remaining funds to a Budget and Finance Committee reserve.

3. Approve the proposed resolution adopting the findings under the California Environmental Quality Act (CEQA) (File 10-0606).

[4] According to Mr. Jacobo, a 10 percent construction contingency is the standard construction contingency included in all WSIP project construction budgets.

File 100606

AGENDA ITEM
Public Utilities Commission
City and County of San Francisco

DEPARTMENT Infrastructure Division AGENDA NO. 13

MEETING DATE May 11, 2010

Approve Project-EIR: Regular Calendar
Bureau Manager: Julie L. Labonte

Project No. CUW37101, Approve Project, Crystal Springs/San Andreas Transmission Upgrade

Summary of Proposed Commission Action:	**Approve** Water Enterprise, Water System Improvement Program ("WSIP") Project No. CUW37101, Crystal Springs/San Andreas (CS-SA) Transmission Upgrade Project (the "Project"); **adopt** the required California Environmental Quality Act ("CEQA") Findings, including a Statement of Overriding Considerations and the Mitigation Monitoring and Reporting Program ("MMRP"); and **authorize** the General Manager to implement the Project, in compliance with the Charter and applicable law, and subject to Board of Supervisors approval where required, including the following: 1. Obtain from CalTrans and San Mateo County, as necessary, encroachment permits, consents, or other permits for temporary construction activities. 2. Exercise any City or San Francisco Public Utilities Commission ("SFPUC" or "Commission") right under any deed, easement, lease, permit, or license as necessary, and negotiate and execute with owners or occupiers of property interests or utility facilities or improvements on, along, over, under, adjacent to, or in the vicinity of the SFPUC's right of way, new or amended easement, lease, permit, license, encroachment-removal or other project related agreements, if necessary for the Project. 3. Negotiate and enter into a transmission facilities agreement with PG&E regarding construction of transmission facilities in connection with the Project.

APPROVAL:

DEPARTMENT / BUREAU [signature] for HLK

FINANCE Todd L. Rydstrom

COMMISSION SECRETARY Mike Housh

GENERAL MANAGER Ed Harrington [signature]

	4. Obtain permits or approvals by state and federal regulatory agencies, including but not limited to: U.S. Army Corps of Engineers, State Historic Preservation Officer, U.S. Fish & Wildlife Service, National Marine Fisheries Service, California Department of Fish and Game, San Francisco Regional Water Quality Control Board, Bay Area Air Quality Management District, California Division of Safety of Dams, and California Department of Transportation. 5. Negotiate and execute real estate agreements, financial assurance instruments, and conservation easements related to acquisition and implementation of habitat mitigation sites, if necessary for the Project. Implementation actions will include advertising for construction bids for the project and for compensatory mitigation habitat. However, staff will seek Commission approval to award the construction contract(s) at a future date(s).
Background:	The Project is one of the key regional projects to be completed as part of the WSIP. Approval of these actions will allow the SFPUC to proceed with improvements to the regional water system that will increase the system's overall seismic and delivery reliability. The Project implements seismic and operational improvements to ensure that the CS/SA Transmission System will be capable of performing its critical role in achieving regional WSIP level-of-service (LOS) goals including, but not limited to, seismic and delivery reliability goals for continued system operation in the event of an emergency or during major water system maintenance events. The CS/SA Transmission System's components range in age from 42 to 137 years. The Project is needed to upgrade seismically vulnerable facilities, to repair the general deterioration of the system components, and to restore lost functionality. Also, in the event of a major seismic event on the Calaveras or Hayward Fault or during maintenance shutdown, the Peninsula reservoirs may become the primary water supply source for an extended period of time. Currently, the CS/SA Transmission System does not have sufficient pumping capacity to transfer enough water from Crystal Springs Reservoir to San Andreas Reservoir and the Harry Tracy Water Treatment Plant (HTWTP) for a sufficient duration to meet LOS goals. The purposes of this Project include improving the emergency pumping capacity of the CS/SA Transmission System and ensuring the system is functional within 30 days of a major earthquake. In order to address seismic and delivery reliability concerns and support implementation of the regional WSIP, a Final Program Environmental Impact Report (PEIR) was approved by the SFPUC on October 30, 2008). The SFPUC has designed the Project to include

	the following key project components. 1. Seismic improvements and addition of isolation capability to the Upper Crystal Springs Dam Culverts; 2. Seismic and operational upgrades to Crystal Springs Outlet Structures 1 and 2; 3. Construction of a new Crystal Springs Pump Station and related facility upgrades, including, but not limited to, construction of a new PG&E electrical substation and related transmission facilities, and replacement of the existing dissipation structure for releases into San Mateo Creek, enabling the SFPUC to meet California Division of Safety of Dams requirements for dam facilities in an emergency drawdown scenario; 4. Seismic upgrades and general repairs to the CS/SA Pipeline, as well as new access roads to the CS/SA Pipeline for planned and unplanned maintenance and repair of pipeline following earthquake damage; and 5. Seismic upgrades to San Andreas Outlet Structures 2 and 3, including improvements at both the outlet towers and the tunnel portals located at the HTWTP site. Project construction would be completed within three years. Some construction activities would occur concurrently over the five project component sites and other activities require sequential implementation.
Result of Inaction:	The SFPUC will not be able to proceed with plans to implement the Project, and the CS/SA Transmission System will remain limited in its capacity to reliably transmit water to meet customer demands after a major seismic event or during major maintenance activities.
Description of Project Action:	1. In order to move forward with the Project, the Commission must review and consider the certified Final EIR, and adopt the Project CEQA Findings and the MMRP, including the Statement of Overriding Considerations. The Final EIR was provided to each member of the Commission. The EIR was developed by the San Francisco Planning Department. The Final EIR identified and analyzed Project-specific significant impacts and found potentially significant impacts within the resource areas of aesthetics, cultural and paleontological resources, transportation and circulation, noise and vibration, air quality and climate change, recreation, utilities and service systems, biological resources, geology and soils, hydrology and water quality, hazards and hazardous materials, and cumulative impacts. Potentially significant impacts will be reduced to a less than significant level by

	implementing the mitigation measures in the Final EIR and the MMRP during the design, construction, and post-construction phases, except for those significant and unavoidable impacts caused by the Project and by the WSIP water supply decision, to which the Project, as a component of the WSIP, will contribute and which were identified in the Final EIR. These significant and unavoidable impacts include impacts to: historical resources due to removal of character-defining features associated with Crystal Springs Outlet Structure 1 (a contributing structure to the Lower Crystal Springs Dam, which is a historical resource), traffic conditions on SR 92 due to temporary single lane closure, construction and operational noise, fishery resources in Crystal Springs Reservoir (Upper and Lower), effects on flow along Alameda Creek below the Alameda Creek Diversion Dam, and growth inducement. The CEQA Findings contain a Statement of Overriding Considerations justifying Project approval notwithstanding the potential for significant and unavoidable impacts, as authorized by CEQA. The CEQA Findings and MMRP are attached as Attachments A and B to the Commission Resolution for this agenda item. 2. Upon approval of the Project, SFPUC staff will proceed to implement the Project, including advertising for construction bids, obtaining necessary agreements and permits, and negotiating and executing a transmission facilities agreement with PG&E related to the construction by PG&E of transmission facilities in connection with the Project. Staff will seek Commission review related to award of the construction contracts at a future date. 3. The Project will involve work in San Mateo County. The Project may require that the SFPUC obtain permits, consents or other agreements from CalTrans, San Mateo County or various necessary encroachment permits or other permits for temporary construction activities in or around local roadways and trails, and these permits shall be consistent with SFPUC existing fee or easement interests, where applicable. The terms and conditions of these permits will require SFPUC to indemnify the respective jurisdictions, and the terms of the indemnity obligation will be subject to the San Francisco Risk Manager's approval. The Commission Resolution will authorize the General Manager to agree to such other terms and conditions (e.g. maintenance, repair, and relocation of improvements) that are in the public interest, are consistent with the SFPUC's existing rights, and in the judgment of the General Manager, in consultation with the City Attorney, are reasonable and appropriate for the scope and duration of the requested use. 4. For portions of the City-owned SFPUC right of way where the Project work will occur, the SFPUC has issued easements, leases, permits, or licenses to certain parties to use the right of way for various purposes, and in some instances other parties hold property rights or interests on lands along, over, under, adjacent to or in the vicinity of the right of way that may be affected by the Project. The

	Resolution authorizes the General Manager, or his designee, to (i) exercise any City or SFPUC right under any deed, easement, lease, permit, or license as necessary or advisable in connection with the Project, and (ii) negotiate and execute with owners or occupiers of property interests or utility facilities or improvements, on, along, over, under, adjacent to or in the vicinity of, the SFPUC's right of way, new or amended easements, leases, permits, licenses, encroachment removal or other project related agreements (each, a "Use Instrument") with respect to uses and structures, fences, and other above-ground or subterranean improvements or interests, orchards, trees, or other vegetation. The General Manager's authority so granted will include the authority, if necessary for the Project, to enter into, amend, or exercise rights under existing or new Use Instruments with any owner or occupier of property on, along, over, under, adjacent to or in the vicinity of the SFPUC right of way, including Use Instruments required to accommodate project construction activities or schedule, or to implement Project mitigation measures. Any such new or amended Use Instrument will be in a form that the General Manager determines is in the public interest and is acceptable, necessary, and advisable to effectuate the purposes and intent of this Commission Resolution, and in compliance with the Charter and all applicable laws, and approved as to form by the City Attorney. 5. Implementation of the Project will involve consultation with, or required approvals by, state and federal regulatory agencies, including but not limited to the following: U.S. Army Corps of Engineers, U.S. Fish & Wildlife Service, National Marine Fisheries Service, California Department of Transportation, State Historic Preservation Officer, California Department of Fish and Game, San Francisco Regional Water Quality Control Board, California Division of Safety of Dams, and Bay Area Air Quality Management District (collectively "Regulatory Agencies"). The Resolution authorizes the General Manager to apply for, and if necessary, seek Board of Supervisors' approval, and, if approved, accept and execute required approvals by these Regulatory Agencies. To the extent that the terms and conditions of the required approvals will require SFPUC to indemnify other parties, those indemnity obligations are subject to review and approval by the San Francisco Risk Manager. The Resolution authorizes the General Manager to agree to such terms and conditions that are within the lawful authority of the agency to impose, in the public interest, and, in the judgment of the General Manager, in consultation with the City Attorney, are reasonable and appropriate for the scope and duration of the required approval, as necessary for the Project. The SFPUC will be required to enter into Agreements with certain Regulatory Agencies to provide financial assurances for (1) design and implementation of the compensatory mitigation habitat identified in the permits; (2) monitoring and management during the performance period; and (3) repair and replacement of such habitats if necessary during the performance period; in order that the Regulatory Agencies may issue permits to the SFPUC to construct WSIP projects.

	In addition, the SFPUC intends to manage and monitor the compensatory mitigation habitat projects in perpetuity in accordance with individual project mitigation and monitoring plans and long term management plans. To that end, the SFPUC will be required to enter into agreements to provide the Regulatory Agencies with financial assurances for the management and monitoring of the habitat mitigation projects on an interim and long term basis. 6. Implementation of the compensatory mitigation habitat measures will involve sites developed in consultation with certain state and federal regulatory agencies. Potential compensatory mitigation habitat sites are proposed to include locations on SFPUC property but potentially could include locations not currently owned or controlled by the SFPUC. The Resolution authorizes the General Manager, or his designee, to take the following actions to implement compensatory mitigation habitat (collectively, "Mitigation Habitat Actions"), subject to Commission and Board of Supervisors' approvals, if necessary: (i) exercise any City or SFPUC right under any deed, easement, lease, permit, or license as necessary or advisable to implement Project mitigation, (ii) negotiate and execute new or amended real property agreements for mitigation sites such as purchase agreements, easements, leases, permits, licenses, or other agreements as are necessary or advisable to implement Project mitigation, (iii) negotiate and execute financial assurance instruments with regulatory agencies for implementation of compensatory mitigation habitat, (iv) negotiate and execute conservation easements for implementation of compensatory mitigation habitat, and (v) seek Board of Supervisors' approval of Mitigation Habitat Actions, if required. The General Manager is authorized to agree to such terms and conditions for Mitigation Habitat Actions that are within the lawful authority of the agency to impose, in the public interest, and, in the judgment of the General Manager, in consultation with the City Attorney, and are reasonable and appropriate for the scope and duration of the required mitigation or regulatory permit approval, as necessary for the Project. 7. At the time of Project approval, SFPUC staff anticipates that implementation of the Project is likely to include, but may not be limited to, Mitigation Habitat Actions at two identified sites: (1) San Andreas Reservoir Site, and (2) Adobe Gulch Site. The San Andreas Reservoir Site is an approximately 6-acre area located adjacent to the northwestern edge of the San Andreas Reservoir in the northern portion of the Peninsula watershed, and would include scrub and grassland removal, creation of at least three acres of wetlands and planting of other wetland and riparian vegetation. The Adobe Gulch Site is an approximately 60-acre area located near Highway 92 in the southwestern portion of the Peninsula watershed and would include removal of scrub habitat and non-indigenous trees, planting of oaks and other vegetation and enlargement and creation of wetlands. These sites were selected and designed using the conservation principles

	required by the PEIR and subsequent SFPUC adoption of the PEIR MMRP, which prescribe a coordinated approach in developing mitigation for biological resource impacts of individual WSIP facility projects in order to avoid habitat fragmentation, preserve wildlife movement corridors and allow for plants and wildlife to disperse over large contiguous habitat areas. Therefore it is necessary and appropriate for the SFPUC to implement compensatory mitigation habitat improvements at these sites to minimize overall environmental impacts, and to achieve the overall habitat preservation and creation functions of the site(s), notwithstanding that mitigation at these sites may be in excess of resource agency requirements for the Project or other future SFPUC projects. By authorizing implementation of the full mitigation site(s) in connection with the Project, once approved by the resource agencies, the SFPUC is not making any commitment to approve any other WSIP project or mitigation, nor is it making any determination as to the adequacy of the San Andreas Reservoir or Adobe Gulch compensation sites as mitigation for any other WSIP project, and the Commission retains its full discretion to consider the environmental documents for other WSIP projects, including but not limited to mitigation measures therein, and to approve or disapprove the project and the compensatory mitigation habitat proposed for impacts resulting from those projects. 8. In addition to authorizing the General Manager to take Mitigation Habitat Actions described above in order to identify and implement compensatory mitigation habitat, the Resolution specifically authorizes the following with regard to the San Andreas Reservoir and Adobe Gulch sites: (i) a request to the Board of Supervisors to adopt the Project's CEQA Findings, MMRP, and Statement of Overriding Considerations in connection with funds for the San Andreas Reservoir Site and Adobe Gulch Site mitigation, (ii) authorize the General Manager to implement mitigation of the San Andreas and Adobe Gulch habitat mitigation sites in full, as necessary or advisable to implement the Project, and (iii) to advertise construction contracts for the San Andreas and Adobe Gulch mitigation sites subject to Commission review and approval prior to award at a future date.
Environmental Review:	The San Francisco Planning Commission certified a Final Environmental Impact Report (EIR) for Project No. CUW37101, on April 22, 2010.
Recommendation:	SFPUC staff recommends that the Commission adopt the attached resolution.
Attachments:	1. SFPUC Resolution 2. Attachment A: CEQA Findings 3. Attachment B: Mitigation Monitoring and Reporting Program (MMRP)

PUBLIC UTILITIES COMMISSION

City and County of San Francisco

RESOLUTION NO. _____

WHEREAS, San Francisco Public Utilities Commission (SFPUC) staff have developed a project description under the Water System Improvement Program (WSIP) for the improvements to the regional water supply system, otherwise known as Project No. CUW37101, Crystal Springs/San Andreas Transmission Upgrade Project (Project); and

WHEREAS, The objectives of the Project are to:

- Improve the seismic reliability of the CS/SA Transmission System by reducing facility vulnerability to earthquake-related damage to ensure continued operation following a seismic event.

- Ensure that the CS/SA Transmission System provides transmission flexibility to the regional water system in a manner that will enable the SFPUC to meet its delivery reliability goals in the event of an emergency or during major water system maintenance.

- Ensure delivery reliability of the CS/SA Transmission System by providing a means to access and repair the CS/SA Transmission System facilities.

- Ensure compliance with California Division of Safety of Dams (DSOD) requirements for dam facilities in an emergency drawdown scenario; and

WHEREAS, On April 22, 2010, the Planning Commission reviewed and considered the Final Environmental Impact Report (FEIR) in Planning Department File No. 2007.1255E, consisting of the Draft EIR, the Comments and Responses document and Errata Sheet(s), and found that the contents of said report and the procedures through which the FEIR was prepared, publicized and reviewed complied with the provisions of the California Environmental Quality Act (CEQA), the CEQA Guidelines and Chapter 31 of the San Francisco Administrative Code and found further that the FEIR reflects the independent judgment and analysis of the City and County of San Francisco, is adequate, accurate and objective, and that the Comments and Responses document contains no significant revisions to the Draft EIR, and certified the completion of said FEIR in compliance with CEQA and the CEQA Guidelines in its Motion No. 18075; and

WHEREAS, This Commission has reviewed and considered the information contained in the FEIR, all written and oral information provided by the Planning Department, the public, relevant public agencies, SFPUC and other experts and the administrative files for the Project and the FEIR; and

WHEREAS, The Project and FEIR files have been made available for review by the SFPUC and the public in File No. 2007.1255E, at 1650 Mission Street, Fourth Floor, San Francisco, California; and those files are part of the record before this Commission; and

WHEREAS, SFPUC staff prepared proposed findings, as required by CEQA, (CEQA Findings) in Attachment A to this Resolution and a proposed Mitigation, Monitoring and Reporting Program (MMRP) in Attachment B to this Resolution, which material was made available to the public and the Commission for the Commission's review, consideration and action; and

WHEREAS, The Project is a capital improvement project approved by this Commission as part of the Water System Improvement Program (WSIP); and

WHEREAS, A Final Program EIR (PEIR) was prepared for the WSIP and certified by the Planning Commission on October 30, 2008 by Motion No. 17734; and

WHEREAS, Thereafter, the SFPUC approved the WSIP and adopted findings and a MMRP as required by CEQA on October 30, 2008 by Resolution No. 08-200; and

WHEREAS, The FEIR prepared for the Project is tiered from the PEIR, as authorized by and in accordance with CEQA; and

WHEREAS, The PEIR has been made available for review by the SFPUC and the public, and is part of the record before this Commission; and

WHEREAS, The Project includes work located in San Mateo County, and SFPUC staff may seek to enter into encroachment permits, consents or other property agreements for Project construction; and

WHEREAS, The Project may require the SFPUC General Manager to apply for and execute various necessary permits, consents and encroachment permits with CalTrans and San Mateo County and those permits shall be consistent with SFPUC existing fee or easement interests, where applicable, and will include terms and conditions including, but not limited to, maintenance, repair and relocation of improvements and possibly indemnity obligations; and

WHEREAS, The SFPUC has issued easements, leases, permits, or licenses to certain parties to use for various purposes portions of City-owned property along the SFPUC right of way where the Project work will occur, and in some instances other parties hold property rights or interests on lands on, along, over, under, adjacent to or in the vicinity of the right of way, and it may be necessary for the General Manager, or his designee, to (a) exercise rights under any such deed, easement, lease, permit, or license or (b) negotiate and execute new or amended easements, leases, permits, licenses, or encroachment removal or other project related agreements or consents (each, a "Use Instrument") with owners or occupiers of property interests or utility facilities or improvements on, along, over, under, adjacent to or in the vicinity of, City property with respect to uses and structures, fences, and other above-ground or subterranean improvements or interests, orchards, trees, or other vegetation, or to implement Project mitigation measures or accommodate Project construction activities and schedule; and

WHEREAS, The Project requires the construction by PG&E of certain transmission facilities, and it may be necessary for the General Manager, or his designee, to negotiate and

execute a transmission facilities agreement with PG&E related to the Project with an anticipated cost not to exceed $4,000,000; and

WHEREAS, Implementation of the Project will involve consultation with, or required approvals by, state and federal regulatory agencies, including but not limited to the following: U.S. Army Corps of Engineers, U.S. Fish and Wildlife Service, National Marine Fisheries Service, California Department of Transportation, State Historic Preservation Officer, California Department of Fish and Game, California Division of Safety of Dams, San Francisco Bay Regional Water Quality Control Board, and Bay Area Air Quality Management District; and

WHEREAS, Implementation of compensatory mitigation habitat measures will involve sites developed in consultation with state and federal regulatory agencies, proposed to include sites on SFPUC property but potentially including locations not currently owned or controlled by the SFPUC, and it may be necessary or advisable for the General Manager, or his designee, to take the following actions to implement compensatory mitigation habitat (collectively, "Mitigation Habitat Actions"): (a) exercise any City or SFPUC right under any deed, easement, lease, permit, or license as necessary or advisable to implement compensatory mitigation habitat; (b) negotiate and execute new or amended real property agreements for compensatory mitigation habitat sites such as purchase agreements, easements, leases, permits, licenses, or other agreements as are necessary or advisable to implement Project mitigation; (c) negotiate and execute financial assurance instruments with regulatory agencies for (1) design and implementation of the compensatory mitigation habitat, (2) monitoring and management during the performance period, (3) repair and replacement of such habitats if necessary during the performance period, and (4) management and monitoring the habitat mitigation projects in perpetuity in accordance with individual project mitigation and monitoring plans and long term management plans on an interim and long term basis, if necessary; (d) negotiate and prepare conservation easements for implementation of compensatory mitigation habitat, if necessary; and (e) seek Board of Supervisors' approval of Mitigation Habitat Actions, if necessary; and

WHEREAS, Implementation of the Project may include Mitigation Habitat Actions at the San Andreas Reservoir Site, an approximately 6-acre area located adjacent to the northwestern edge of the San Andreas Reservoir in the northern portion of the Peninsula watershed, and which would include scrub and grassland removal, creation of at least three acres of wetlands and planting of other wetland and riparian vegetation; and

WHEREAS, Implementation of the Project may include Mitigation Habitat Actions at the Adobe Gulch Site, an approximately 60-acre area located near Highway 92 in the southwestern portion of the Peninsula watershed, which would include removal of scrub habitat and non-indigenous trees, planting of oaks and other vegetation and enlargement and creation of wetlands; and

WHEREAS, If the SFPUC Commission approves and resource agencies issue final permits for the Project, including full implementation of the compensatory mitigation habitat sites, namely the San Andreas Reservoir and/or Adobe Gulch site(s), it would be necessary and appropriate for the SFPUC to implement all habitat improvements planned for the full site(s) as part of the Project in order to maximize habitat area creation, minimize overall environmental impacts, and achieve the overall habitat preservation and creation functions of the site(s),

notwithstanding that mitigation at these sites may be in excess of regulatory agency requirements for the Project or other future SFPUC projects; and

WHEREAS, the habitat improvements planned for the full site(s) at San Andreas Reservoir and Adobe Gulch address the conservation principles required by the PEIR and SFPUC approval of the WSIP, which prescribe a coordinated approach in developing mitigation for biological resource impacts of individual WSIP facility projects in order to avoid habitat fragmentation, preserve wildlife movement corridors and allow for plants and wildlife to disperse over large contiguous habitat areas; and therefore, full implementation of the sites is required;

WHEREAS, by authorizing full implementation of the habitat improvements in connection with the Project, if approved by the regulatory agencies, the SFPUC is not making any commitment to approve any other WSIP project or mitigation, nor is it making any determination as to the adequacy of the San Andreas Reservoir or Adobe Gulch compensation sites as mitigation for any other WSIP project, and the Commission retains its full discretion to consider the environmental documents for other WSIP projects, including but not limited to mitigation measures, and to approve or disapprove the project and the habitat mitigation proposed for impacts resulting from those projects; and

WHEREAS, Implementation of habitat mitigation sites may require the General Manager to negotiate and execute instruments for financial assurances concerning compensatory mitigation habitat with regulatory agencies; now, therefore, be it

RESOLVED, This Commission has reviewed and considered the FEIR, finds that the FEIR is adequate for its use as the decision-making body for the actions taken herein, and hereby adopts the CEQA Findings, including the Statement of Overriding Considerations, attached hereto as Attachment A and incorporated herein as part of this Resolution by this reference thereto, and adopts the MMRP attached to this Resolution as Attachment B and incorporated herein as part of this Resolution by this reference thereto, and authorizes a request to the Board of Supervisors to adopt the same CEQA Findings, Statement of Overriding Considerations and MMRP; and be it

FURTHER RESOLVED, That this Commission hereby approves Project No. CUW37101 Crystal Springs/San Andreas Transmission Upgrade Project and authorizes SFPUC staff to proceed with actions necessary to implement the Project consistent with this Resolution, including advertising for construction bids, provided, however, that staff will return to seek Commission approval for award of the construction contract(s); and be it,

FURTHER RESOLVED, The General Manager will confer with the Commission during the negotiation process on real estate agreements and financial assurances, as necessary, and report to the Commission on all agreements submitted to the Board of Supervisors for approval, and notwithstanding the authority granted to the General Manager by this Resolution, the General Manager is not authorized to dispose of any right of way or other SFPUC interest in real property, in any manner, including by sale, trade or transfer, without approval by the SFPUC pursuant to Charter Section 8B124; and be it

FURTHER RESOLVED, That this Commission authorizes the General Manager, or his designee, to apply for and execute various necessary permits, encroachment permits or other agreements with CalTrans and San Mateo County which permits shall be consistent with SFPUC's existing fee or easement interests, where applicable. To the extent that the terms and conditions of the permits will require SFPUC to indemnify the respective jurisdictions, those indemnity obligations are subject to review and approval by the San Francisco Risk Manager. The General Manager is authorized to agree to such terms and conditions, including but not limited to those relating to maintenance, repair and relocation of improvements, that are in the public interest, and in the judgment of the General Manager, in consultation with the City Attorney, are reasonable and appropriate for the scope and duration of the requested use as necessary for the Project; and be it

FURTHER RESOLVED, That this Commission authorizes the General Manager, or his designee, to exercise any right as necessary under any deed or Use Instrument and negotiate and execute new or amended Use Instruments, if necessary for the Project and subject to any applicable approvals, with owners or occupiers of property interests or utility facilities or improvements on, along, over, under, adjacent to, or in the vicinity of the SFPUC right of way, in a form that the General Manager determines is in the public interest and is acceptable, necessary, and advisable to accommodate Project construction activities and schedule, carry out Project-related mitigation measures, and to otherwise effectuate the purposes and intent of this Resolution, in compliance with the Charter and all applicable laws, and in such form approved by the City Attorney; and be it

FURTHER RESOLVED, That this Commission authorizes the General Manager, or his designee, to negotiate and execute a transmission facilities agreement with PG&E, approved as to form by the City Attorney, related to the construction by PG&E of transmission facilities as necessary and related to the Project; and be it

FURTHER RESOLVED, That this Commission authorizes the General Manager, or his designee, to consult with, or apply for, and, if necessary, seek Board of Supervisors' approval, and if approved, to accept and execute permits or required approvals by state and federal regulatory agencies, including but not limited to: U.S. Army Corps of Engineers, U.S. Fish and Wildlife Service, National Marine Fisheries Service, California Department of Transportation, State Historic Preservation Officer, California Department of Fish and Game, California Division of Safety of Dams, San Francisco Bay Regional Water Quality Control Board, and Bay Area Air Quality Management District, including terms and conditions that are within the lawful authority of the agency to impose, in the public interest, and, in the judgment of the General Manager, in consultation with the City Attorney, are reasonable and appropriate for the scope and duration of the requested permit or approval, as necessary for the Project; and be it

FURTHER RESOLVED, That this Commission authorizes the General Manager, or his designee, to carry out Mitigation Habitat Actions that the General Manager determines are in the public interest and are acceptable, necessary, and advisable to accommodate Project construction activities and schedule, carry out Project-related compensatory mitigation habitat measures, including full implementation of the San Andreas Reservoir and/or Adobe Gulch sites if such sites are selected and approved for Project mitigation in consultation with regulatory agencies,

and to otherwise effectuate the purposes and intent of this Resolution, in compliance with the Charter and all applicable laws, and in such form approved by the City Attorney; and be it

FURTHER RESOLVED, That this Commission authorizes the General Manager to work with the Director of Real Estate to seek Board approval, and if approved, to accept and execute the real property agreements authorized herein; and be it

FURTHER RESOLVED, That this Commission authorizes the General Manager, or his designee, to enter into any subsequent additions, amendments or other modifications to the permits, licenses, encroachment removal agreements, leases, easements and other Use Instruments, real property agreements, financial assurances, transmission agreements, or amendments thereto, as described herein, that the General Manager, in consultation with the City Attorney, determines are in the best interests of the SFPUC and the City, do not materially decrease the benefits to the SFPUC or the City, and do not materially increase the obligations or liabilities of the SFPUC or the City, subject to Board of Supervisors' approval, where required, such determination to be conclusively evidenced by the execution and delivery of any such additions, amendments, or other modifications.

I hereby certify that the foregoing resolution was adopted by the Public Utilities Commission at its meeting of May 11, 2010

Secretary, Public Utilities Commission

Environmental Impact Report
Response to Comments

MEA Case No. 2007.1255E

San Francisco Public Utilities Commission

Crystal Springs/San Andreas Transmission Upgrade Project

SCH No. 2008022054

Prepared for:

City and County of San Francisco
Planning Department

April 2010

Important Dates:
Draft EIR Publication Date: November 5, 2009
Draft EIR Public Meeting Date: December 8, 2009
Draft EIR Public Hearing Date (San Francisco): December 10, 2009
Draft EIR Public Comment Period: November 5, 2009 to December 19, 2009
EIR Certification Hearing Date: April 22, 2010

* To view full document
Request file # 100606

File 100606

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2010 MAY 17 AM 10: 54
BY AK

Environmental Impact Report
Comments and Responses
San Francisco Planning Department
MEA Case No. 2007.1255E
State Clearinghouse No. 2008022054

San Francisco Public Utilities Commission
Crystal Springs/San Andreas Transmission Upgrade Project

Draft EIR Publication Date: November 5, 2009
Draft EIR Public Meeting Date (Burlingame): December 8, 2009
Draft EIR Public Hearing Date (San Francisco): December 10, 2009
Draft EIR Public Comment Period: November 5, 2009 to December 21, 2009
EIR Certification Hearing Date: April 22, 2010

April 2010

CHAPTER 1
INTRODUCTION

1 INTRODUCTION

This Comments and Responses document has been prepared to respond to comments received on the Draft Environmental Impact Report (Draft EIR) for the San Francisco Public Utilities Commission's (SFPUC's) Crystal Springs/San Andreas (CS/SA) Transmission Upgrade Project (proposed project) (State Clearinghouse No. 2008022054), which was published by the San Francisco Planning Department on November 5, 2009. The 45-day public review period for the Draft EIR occurred between November 5, 2009 and December 21, 2009. The Draft EIR and the Comments and Responses document together constitute the Final EIR for the proposed project.

The Draft EIR described the proposed project, identified the environmental impacts associated with the project, specified mitigation measures to reduce potentially significant impacts, and analyzed and compared the environmental effects of alternatives to the proposed project, as required by the California Environmental Quality Act (CEQA).

This Comments and Responses document responds to the written and oral comments received on the Draft EIR and revises the Draft EIR, as necessary, to provide additional clarity. This document has been distributed to the San Francisco Planning Commission, the SFPUC, the State Clearinghouse, and agencies and persons who commented on the Draft EIR. The San Francisco Planning Commission will review and consider the information presented in the Final EIR and decide at a public hearing whether to certify the Final EIR as complying with CEQA. The San Francisco Board of Supervisors will hear and decide any appeal of the Planning Commission's certification decision.

If the San Francisco Planning Commission certifies the Final EIR, the SFPUC will review and consider the Final EIR prior to deciding whether to approve the proposed project. If the SFPUC approves the proposed project, it would adopt environmental findings and a Mitigation Monitoring and Reporting Program (MMRP) at the project decision hearing.

Section 1.1 of this Comments and Responses document includes a list of all persons, organizations, and public agencies who submitted written comments on the Draft EIR and who testified at the public hearings on the Draft EIR held in Burlingame on December 8, 2009, and in San Francisco on December 10, 2009.

Chapter 2 contains copies of the written comments received on the Draft EIR, along with a response to each comment, and copies of the transcripts from the public hearings on the Draft EIR, along with responses to oral comments made at the hearings. Staff-initiated text changes to the Draft EIR are included in Chapter 3.

1.1 Comments on the Draft EIR and Responses to Comments

To facilitate the preparation of responses, each comment document (i.e., letter, email, or public hearing transcript) received on the Draft EIR was coded to identify the commenter and then divided into individual comments, which were numbered. Each comment document (i.e., letter or transcript) consists of a prefix indicating the commenter category (shown in Table 1-1) followed by the acronym of the agency/organization or the person's last name. For example, the comment letter received from the San Francisco Bay Regional Water Quality Control Board (a state agency) is coded S-RWQCB. Within each comment document, the individual topics or issues raised are bracketed and numbered sequentially. Therefore, in this example, the code for the first comment in the letter received from the San Francisco Bay Regional Water Quality Control Board is S-RWQCB-1.

Table 1-1
Commenter Categories

Category of Commenter	Coding Abbreviation
State Agency	S
Local and Regional Agency	L
Citizen	C
Public Hearing	PH

The Draft EIR was circulated for a 45-day public review period from November 5, 2009 to December 21, 2009. Agencies, organizations, and individuals who submitted written comments on the Draft EIR during the public review period are listed in Table 1-2. Individuals who spoke at the public hearing in Burlingame on December 8, 2009 are also listed in Table 1-2. Please note that no oral comments were received at the Public Hearing in San Francisco on December 10, 2009. The transcript of the oral comments received at the Burlingame public hearing is provided in Chapter 2 for reference.

Table 1-2
Comments Received on Draft Environmental Impact Report

Comment Format	Comment I.D.	Name, Title, and Affiliation	Date of Comment Letter or Oral Comment
Mail	S-CDFG	Charles Armor, Regional Manager, CDFG	December 17, 2009
Email	S-RWQCB	William Hurley, Senior Engineer, RWQCB	November 17, 2009
Mail	L-BAWSCA	Nicole Sandkulla, Senior Water Resources Engineer, BAWSCA	December 21, 2009
Email	C-Lawrence-1	Steve Lawrence	November 17, 2009
Email	C-Lawrence-2	Steve Lawrence	November 21, 2009
Email	C-Hanson	Christine Hanson	December 18, 2009
Public Hearing	PH-Cooperman	Josh Cooperman	December 8, 2009
Public Hearing	PH-Bushue	Mike Bushue	December 8, 2009

In cases where the response to the comment results in a change in the Draft EIR, the revised text, figures, or tables are described in the response to that comment. Additions are indicated by an underline; deletions are indicated by strikeout. For example: edits to this text are ~~inserted~~ provided for clarity.

1.2 Staff-Initiated Text Changes to the Draft EIR

Lead agency staff have initiated additional edits to the Draft EIR to clarify and amplify the contents of the Draft EIR, to update the Draft EIR with information received after publication of the Draft EIR, and to make other minor corrections to the Draft EIR. None of these changes affect the impact conclusions presented in the Draft EIR; the changes do not result in new or more severe environmental impacts than those previously disclosed in the Draft EIR.

Staff-initiated text changes are provided in Chapter 3. The changes indicate the page and paragraph to be revised and show the proposed change using underline and strikeout, as described above. A description of the text changes is provided, where necessary.

In addition, Chapter 3 reiterates text changes made directly in response to public comments (and discussed in Chapter 2).

This page intentionally left blank

TABLE OF CONTENTS

Page

LIST OF TABLES

LIST OF REVISED FIGURES

LIST OF REVISED TABLES

ACRONYMS

BAWSCA	Bay Area Water Supply and Conservation Agency
BMP	best management practices
CCC	Central California Coast
CCSF	City and County of San Francisco
CDFG	California Department of Fish and Game
CEQA	California Environmental Quality Act
cfs	cubic feet per second
CMP	Congestion Management Program
CS/SA	Crystal Springs/San Andreas
CWA	Clean Water Act
dbh	diameter at breast height
DSOD	California Division of Safety and Dams
EIR	Environmental Impact Report
EPA	U.S. Environmental Protection Agency
LCSD	Lower Crystal Springs Dam
LEDPA	least environmentally damaging practicable alternative
MCRCD	Mendocino County Resource Conservation District
MEA	Major Environmental Analysis
mgd	million gallons per day
MMRP	Mitigation Monitoring and Reporting Program
NMFS	National Marine Fisheries Service
NOI	Notice of Intent
NPDES	National Pollutant Discharge Elimination System
PEIR	Program Environmental Impact Report
Porter-Cologne Act	Porter-Cologne Water Quality Control Act
proposed project	San Francisco Public Utilities Commission's Crystal Springs/San Andreas Transmission Upgrade Project
RCP	reinforced concrete pipe
RWQCB	Regional Water Quality Control Board
SDT	Shutdown Delivery Team
SFPUC	San Francisco Public Utilities Commission
USACE	United States Army Corps of Engineers
USFWS	U.S. Fish and Wildlife Service
WMP	Watershed Management Plan
WSIP	Water System Improvement Program
WTP	Water Treatment Plant

This page intentionally left blank