

## ANALYSIS OF SUPPLEMENTAL APPROPRIATION REQUEST

**DEPARTMENT:** PUC  
**S.A.#** 40-05

**DATE:** June 10, 2014  
**ANALYST:** Antonio Guerra

**AMOUNT REQUESTED:** \$23,000,000

**POSITIONS REQUESTED:** N/A

**FUNDING SOURCES:** 5C-CPF-10B, 5C-CPF-11A, 5C-CPF-12A, AND 5C-CPF-13A

**SUBJECT:** The Public Utilities Commission is requesting a \$23.0 million supplemental appropriation to fund cost increases in the North Shore Force Main Drainage Improvement Project.

**BACKGROUND:** The North Shore Force Main conveys sewage from Northeast San Francisco towards the Southeast Wastewater Treatment Plant in Bayview Hunters Point. This project will provide an auxiliary force main and was initiated due to previous failures of the force main in 2008 and 2012. Approximately 3,000 feet of pipe will be installed in city streets. As of May 2014, construction activities are approximately 65% complete.

<b>Sources (Project Deappropriation)</b>	<b>Cost</b>	<b>Uses (Project Reappropriation)</b>	<b>Cost</b>
Biosolids Digester Project	\$11.00		
Treasure Island Capital Improvements	10.00		
Sewer Replacement	2.00	North Shore to Channel Force Main	\$14.53
<b>Total (in millions)</b>	<b>\$23.00</b>	<b>Total (in millions)</b>	<b>\$23.00</b>

\* The Department proposes a \$8.47 million Controller's reserve pending the availability of funding.

The supplemental is being requested to address the following:

- Additional remediation costs for the handling and disposal of seven abandoned underground used oil storage tanks and the associated contaminated soil surrounding the tanks.
- Removal of portions of abandoned wharves constructed with large rocks and fill.
- Design modifications and related changes in construction work on Spear Street to avoid PG&E facilities.
- Observation of a holiday moratorium, (November through December,) since the project is located in a business district.

The Capital Planning Committee approved the proposed supplemental on June 23, 2014.

**RECOMMENDATION:** Approve

**FISCAL IMPACT:** Funding for the proposed supplemental appropriation will be reappropriated from the PUC Wastewater Enterprise Capital Improvement Program.