

File No. 101297

Committee Item No. 4

Board Item No. \_\_\_\_\_

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee

Date: November 3, 2010

Board of Supervisors Meeting

Date \_\_\_\_\_

#### Cmte Board

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| <input type="checkbox"/>            | <input type="checkbox"/> | Motion                                       |
| <input type="checkbox"/>            | <input type="checkbox"/> | Resolution                                   |
| <input type="checkbox"/>            | <input type="checkbox"/> | Ordinance                                    |
| <input type="checkbox"/>            | <input type="checkbox"/> | Legislative Digest                           |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Budget Analyst Report                        |
| <input type="checkbox"/>            | <input type="checkbox"/> | Legislative Analyst Report                   |
| <input type="checkbox"/>            | <input type="checkbox"/> | Ethics Form 126                              |
| <input type="checkbox"/>            | <input type="checkbox"/> | Introduction Form (for hearings)             |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/>            | <input type="checkbox"/> | MOU  |
| <input type="checkbox"/>            | <input type="checkbox"/> | Grant Information Form                       |
| <input type="checkbox"/>            | <input type="checkbox"/> | Grant Budget                                 |
| <input type="checkbox"/>            | <input type="checkbox"/> | Subcontract Budget                           |
| <input type="checkbox"/>            | <input type="checkbox"/> | Contract/Agreement                           |
| <input type="checkbox"/>            | <input type="checkbox"/> | Award Letter                                 |
| <input type="checkbox"/>            | <input type="checkbox"/> | Application                                  |
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#### OTHER

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Completed by: Victor Young

Date: October 29, 2010

Completed by: Victor Young

Date: \_\_\_\_\_

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



**CITY AND COUNTY OF SAN FRANCISCO**  
**BOARD OF SUPERVISORS**  
**BUDGET AND LEGISLATIVE ANALYST**

1390 Market Street, Suite 1150, San Francisco, CA 94102 (415) 552-9292  
FAX (415) 252-0461

October 28, 2010

**TO:** Budget and Finance Committee  
**FROM:** Budget and Legislative Analyst  
**SUBJECT:** November 3, 2010 Budget and Finance Committee Meeting

**TABLE OF CONTENTS**

<b>Item</b>	<b>File</b>	<b>Page</b>
4 & 5	10-1297 Reserved Funds – San Francisco Public Utilities Commission - \$290,496,495	
	10-1302 Harry Tracy Water Treatment Plant Improvements Project Findings .....	4 & 5 - 1

**Items 4 and 5**  
**Files 10-1297 and 10-1302**

**Department:**  
 Public Utilities Commission (PUC)

## EXECUTIVE SUMMARY

### Legislative Objectives

- File 10-1297: Request to release \$290,496,495 reserved by the Budget and Finance Committee to fund the construction of the Harry Tracy Water Treatment Plant (HTWTP) Project.
- File 10-1302: Resolution adopting findings under the California Environmental Quality Act (CEQA) for the HTWTP Project, and directing the Clerk of the Board of Supervisors to notify the Controller of this action.

### Key Points

- As of April 13, 2010, the Board of Supervisors has appropriated a total of \$359,063,409 for the Harry Tracy Water Treatment Plant (HTWTP) Project, including (a) \$54,091,322 in various appropriations, which are currently unreserved, and (b) \$304,972,087 in appropriated and reserved funds (File 10-0337).
- File 10-0337 placed the entire appropriation of \$304,972,087 on two separate but overlapping reserves including (a) a Budget and Finance Committee reserve, and (b) a Controller's reserve pending approval of Environmental Impact Reports (EIRs) prepared pursuant to the California Environmental Quality Act (CEQA).
- The HTWTP Project, one of the 86 separate capital improvement projects under the PUC's Water System Improvement Program (WSIP) is designed to provide increased water delivery capacity and seismic reliability throughout the Hetch Hetchy water system.

### Fiscal Impact

- The PUC's current estimated cost of \$352,500,000 for the HTWTP Project, is \$6,563,409 or 1.8 percent less than the \$359,063,409 previous estimated cost.
- As of September, 2010, out of the \$54,091,322 in previously appropriated and unreserved funds, the PUC has expended \$32,585,432, such that the PUC (a) has \$21,505,890 in available unreserved and unexpended funds, and (b) still needs an estimated \$319,914,568 (\$352,500,000 in total estimated project costs less \$32,585,432 previously expended). The PUC anticipates funding the additional needed \$319,914,568 by expending (a) \$21,505,890 in available unreserved and unexpended funds, and (b) \$298,408,678 from the \$304,972,087 which is currently on reserve.
- The PUC inadvertently requested release of \$290,496,495, instead of the correct needed \$298,408,678 for the HTWTP Project. Approval of the correct requested release of \$298,408,678 would still leave \$6,563,409 remaining on Budget and Finance Committee reserve (\$304,972,087 less \$298,408,678).
- The \$319,914,568 in total estimated needed expenditures include (a) \$279,255,000 (including a ten percent contingency) for construction costs, and (b) \$40,659,568 for non-construction costs. Of the \$40,659,568 in total estimated needed non-construction costs, the PUC anticipates

expending (a) \$21,505,890 in available unreserved and unexpended funds, and (b) \$19,153,678 of the requested release of \$298,408,678 for estimated additional needed non-construction expenditures. Actual construction costs will be known after construction bids are received on December 9, 2010.

#### **Recommendations**

- Increase the requested release of reserve funds by \$7,912,183, from the requested incorrect amount of \$290,496,495 to \$298,408,678 (File 10-1297).
- Replace the existing Budget and Finance Committee reserve on the requested \$298,408,678 with a Controller's reserve, and request the Controller, after receiving supporting documentation from the PUC, to release the amount of construction funds equal to the lowest responsive construction bid received by the PUC, plus a ten percent construction contingency.
- Release the estimated additional needed non-construction amount of \$19,153,678 (the total requested release amount of \$298,408,678 less \$279,255,000 in estimated additional needed construction costs).
- Request the Controller to return any remaining unneeded funds to a Budget and Finance Committee reserve.
- Approve the proposed resolution adopting the findings under (CEQA) (File 10-1302).

## **MANDATE STATEMENT / BACKGROUND**

### **Mandate Statement**

Section 3.3 of the City's Administrative Code provides that the committee of the Board of Supervisors that has jurisdiction over the budget (i.e., Budget and Finance Committee) may place requested expenditures on reserve which are then subject to release by the Budget and Finance Committee.

In accordance with the California Environmental Quality Act (CEQA), any public agency that makes a discretionary decision to approve a project that has a potential to result in a direct physical change in the environment must comply with CEQA by adopting specific findings prior to the approval of the project. The Board of Supervisors previously placed a Controller's reserve on the Harry Tracy Water Treatment Plant Project under the PUC's Water System Improvement Program (WSIP), pending adoption of the CEQA findings after reviewing the individual project's Environmental Impact Report (EIR). Under CEQA, the Board of Supervisors cannot delegate this responsibility to review the CEQA analysis before it makes its decision to fund specific projects.

### **Background**

The PUC's Water System Improvement Program (WISP) is a series of 86 separate capital improvement projects designed to provide increased water delivery capacity and seismic

reliability throughout the Hetch Hetchy water system. The 86 individual projects are categorized into five geographic regions and standalone projects, and have a current total estimated cost of \$4,527,000,000, including financing costs.

On November 4, 2002, the voters of San Francisco approved Propositions A and E, which, in combination, authorized the PUC to issue an unlimited amount of Wastewater and Water Revenue Bonds, without subsequent voter approval, subject to approval by the Board of Supervisors, for PUC capital improvements related to water, wastewater, and power facilities.

As of April 13, 2010, the Board of Supervisors had previously appropriated the \$359,063,409 in total estimated costs of the Harry Tracy Water Treatment Plant Project, including (a) \$54,091,322 in various appropriations, which are currently unreserved, and (b) \$304,972,087 in appropriated and reserved funds (File 10-0337). File 10-0337 placed the entire appropriation of \$304,972,087 on two separate but overlapping reserves including (a) a Budget and Finance Committee reserve, and (b) a Controller's reserve pending approval of Environmental Impact Reports (EIRs) prepared pursuant to the California Environmental Quality Act (CEQA).

The Harry Tracy Water Treatment Plant (HTWTP) treats water pumped from the Peninsula for delivery to customers in Northern San Mateo County and San Francisco. According to the WSIP Regional Projects Quarterly Report for the 4<sup>th</sup> Quarter of FY 2009-2010, the HTWTP Project will increase the capacity of the HTWTP from 120 million gallons per day to 140 million gallons per day and improve seismic reliability following a major earthquake. The HTWTP Project includes: (a) extensive seismic, hydraulic, and electric upgrades throughout the Plant, (b) five new filters, (c) improvements to the washwater and sludge handling systems, (d) a new 11 million gallon treated water reservoir, and (e) associated piping and equipment replacement.

The PUC anticipates construction commencing on April 4, 2011 and ending November 20, 2015. According to Mr. Carlos Jacobo, Budget Director at the PUC, the completion date has been delayed by approximately five months, from June 12, 2015 to November 20, 2015, due to identified seismic risks associated with the discovery of the Serra Fault underneath the two existing water reservoirs. According to Mr. Jacobo, discovery of this Fault resulted in the PUC deciding to abandon the two existing water reservoirs located directly above the Fault and instead construct a new water reservoir and associated facility improvements.

## DETAILS OF PROPOSED LEGISLATION

Of the total estimated project costs of \$359,063,409 previously appropriated by the Board of Supervisors for the HTWTP Project, \$304,972,087 is subject to two separate and overlapping reserves: (1) a Budget and Finance Committee reserve, and (2) a Controller's reserve pending the approval of EIR findings under CEQA.

The PUC is now requesting the release of \$298,408,678 (the PUC inadvertently requested the release of \$290,496,495) out of the total existing \$304,972,087 on Budget and Finance

reserve to fund the total estimated remaining project costs of \$319,914,568 associated with the Harry Tracy Water Treatment Plant (HTWTP) Project (File 10-1297).

The additional needed \$21,505,890 (\$21,505,890 in funds previously appropriated by the Board of Supervisors and not reserved) plus the correct requested amount of \$298,408,678 previously appropriated and reserved by the Board of Supervisors equals the total additional estimated needed funds of \$319,914,568.

The PUC is also requesting that the Board of Supervisors adopt findings under the California Environmental Quality Act (CEQA) for the Harry Tracy Water Treatment Plant Project, and direct the Clerk of the Board of Supervisors to notify the Controller of this action, such that the Controller can remove the overlapping separate reserve on the \$304,972,087, which was previously appropriated and reserved by the Board of Supervisors for the HTWTP Project (File 10-1302).

According to Mr. Jacobo, the PUC's letter to the Board of Supervisors dated October 15, 2010, requesting the release of reserved funds inadvertently requested the release of \$290,496,495, instead of the correct needed amount of \$298,408,678. Therefore, the Budget and Legislative Analyst refers to the correct amount of \$298,408,678 that is actually needed for release from Budget and Finance Committee reserve, in the remainder of this report.

Mr. Jacobo further notes that the PUC's letter also inadvertently identifies the Harry Tracy Water Treatment Plant Project as the New Irvington Tunnel Project.

## **FISCAL IMPACT**

Approval of this request would result in the release of \$298,408,678 of funds from Water Revenue Bond proceeds previously appropriated and placed on Budget and Finance Committee reserve by the full Board of Supervisors.

As discussed above, the Board of Supervisors has previously appropriated \$359,063,409 for the total estimated costs of the PUC's Harry Tracy Water Treatment Plant Project, including (a) \$54,091,322 in various appropriations which are currently unreserved, and (b) \$304,972,087 appropriated on April 13, 2010 (File 10-0337) which is currently on two separate and overlapping reserves: (1) a Budget and Finance Committee reserve, and (2) a Controller's reserve pending the approval of EIR findings under CEQA.

The Budget and Legislative Analyst notes that although the original estimated Harry Tracy Water Treatment Plant (HTWTP) Project cost was \$359,063,409, as of September 2010, the updated Project costs are \$352,500,000, a reduction of \$6,563,409 or 1.8 percent. Mr. Jacobo stated that this reduction in Project costs results from a refinement of the Project costs as the Project design progressed.

As shown in Table 1 below, as of September, 2010, the PUC had expended \$32,585,432 for project management, planning, design and environmental review of the HTWTP Project, such

that an estimated \$319,914,568 in Project costs are still needed to fund the total estimated project costs of \$352,500,000.

	<b>Current Total Estimated Project Expenditures as of September 2010</b>	<b>Previously Expended</b>	<b>Total Estimated Additional Needed Expenditures</b>
Project Management	\$8,786,000	\$5,738,345	\$3,047,655
Planning	4,816,000	4,815,793	207
Environmental Review	2,422,000	1,835,431	586,569
Design	20,127,000	20,195,863	(68,863)
Bid and Award	685,000	0	685,000
Construction Management	36,255,000	0	36,255,000
Close-Out	154,000	0	154,000
<b>Non-Construction Cost Subtotal</b>	<b>\$73,245,000</b>	<b>\$32,585,432</b>	<b>\$40,659,568</b>
Construction Cost	279,255,000	0	279,255,000
<b>Total</b>	<b>\$352,500,000</b>	<b>\$32,585,432</b>	<b>\$319,914,568</b>

Given that the PUC has expended \$32,585,432 out of the \$54,091,322 which was previously appropriated by the Board of Supervisors and not reserved, \$21,505,890 is available for remaining project expenditures. As shown in Table 2 below, the PUC intends to fund the remaining HTWTP Project costs of \$319,914,568 with (a) \$21,505,890 in unexpended and unreserved funds which were previously appropriated by the Board of Supervisors, and (b) the requested release of \$298,408,678.

Previously Appropriated by the Board of Supervisors	\$54,091,322
Less Previously Expended (see Table 1)	32,585,432
<b>Available Funds</b>	<b>\$21,505,890</b>
Requested Release of Reserved Funds	298,408,678
<b>Total Estimated Additional Needed Expenditures (see Table 1)</b>	<b>\$319,914,568</b>

As also shown in Table 1 above, the total estimated non-construction costs are \$40,659,568. In order to fund the \$40,659,568 in total estimated needed non-construction costs, the PUC anticipates expending (a) \$21,505,890 in available unreserved and unexpended funds, and (b) \$19,153,678 of the requested release of \$298,408,678 for estimated additional needed non-construction expenditures.

As also shown in Table 1 above, the total estimated construction costs are \$279,255,000. According to Mr. Jacobo, the PUC issued a Request for Proposal (RFP) on October 15, 2010 for construction of the HTWTP Project, with bids due by December 9, 2010. Therefore, the actual construction costs will not be known until December 9, 2010. The Budget and Legislative Analyst notes that 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 normal



competitive bidding procedures, without subsequent Board of Supervisors approval, in accordance with Section 9.118(b) of the City's Charter.

The PUC is also requesting the Board of Supervisors approval of the proposed resolution (File 10-1302) to adopt the findings included in the CEQA-required environmental report for the Harry Tracy Water Treatment Plant Project. According to Mr. Jacobo, the San Francisco Planning Commission approved the CEQA-required environmental report on October 14, 2010. Mr. Jacobo advises that the environmental mitigation work and project modifications required by environmental permits are not anticipated to alter the current total estimated project cost of \$352,500,000 for the Harry Tracy Water Treatment Plant (HTWTP) Project, as identified in Table 1 above.

In addition to the Budget and Finance Committee's reserve on funds previously appropriated by the full Board of Supervisors under File 10-0337, the Budget and Finance Committee and the full Board of Supervisors also placed a separate and overlapping Controller's reserve on the Harry Tracy Water Treatment Plant (HTWTP) Project, which requires an Environmental Impact Report (EIR) under the California Environmental Quality Act (CEQA), pending adoption of the CEQA findings by the Board of Supervisors.

The PUC is therefore requesting (File 10-1302) that the Board of Supervisors adopt the findings in accordance with CEQA for the Harry Tracy Water Treatment Plant Project. File 10-1302 would also direct the Clerk of the Board of Supervisors to notify the Controller of this action, such that the Controller can remove the overlapping separate reserve on the \$304,972,087 previously appropriated by the Board of Supervisors.

Approval of the proposed resolution would result in removal of the Controller's reserve on \$304,972,087, such that no funds will remain on Controller's reserve. Approval of the requested release of \$298,408,678 from the separate Budget and Finance Committee reserve would leave a remaining balance of \$6,563,409 on reserve (\$304,972,087 total on reserve less \$298,408,678 requested release) on Budget and Finance Committee reserve. Mr. Jacobo noted that while the PUC does not currently anticipate requesting release of the \$6,563,409 which would remain on Budget and Finance Committee reserve for the HTWTP Project, the PUC may request such funds be released from reserve at a later date to pay for unanticipated WSIP project cost increases in the future.

The Budget and Legislative Analyst notes that the agenda for the Budget and Finance Committee meeting on November 3, 2010 includes a proposed resolution to approve a settlement agreement between Skyline Stables Corporation and the PUC (Item 6, File 10-1357). According to Mr. Jacobo, the terms of the settlement would impact the requested approval of EIR findings. However, because consideration of such a settlement is scheduled to occur in closed session, the terms of such a settlement are not included in this report. Mr. Jacobo noted that the \$650,000 cost of the related settlement is included under the \$3,047,655 in remaining Project Management costs shown in Table 1 above.

**POLICY CONSIDERATION****The actual construction costs will not be known until after the PUC receives construction bids, which are currently due on December 9, 2010**

The Budget and Legislative Analyst notes the Board of Supervisors could continue the requested release of reserve funds until after the PUC receives the construction bids for the HTWTP Project, which are currently due on December 9, 2010. If the subject request is continued until late December, 2010 or early January of 2011, the actual amount to be released would then match the actual award of the construction contract (including a contingency), plus the remaining non-construction costs of \$19,153,678 (the total requested release amount of \$298,408,678 less \$279,255,000 in estimated additional needed construction costs as shown in Table 1 above), rather than being based on an estimate of the costs as provided by the PUC.

However, according to Mr. Jacobo, continuing the subject request could result in delays to the HTWTP Project due to (a) potential extensions in the current December 9, 2010 construction bid deadline<sup>1</sup> and (b) the holiday season in December when the Board of Supervisors may not be in session. Mr. Jacobo advises that the PUC wants to award a construction contract for the HTWTP Project in late December 2010, in order to maintain the project's schedule.

As such, the Budget and Legislative Analyst instead recommends replacing the Budget and Finance Committee reserve on the requested \$298,408,678 with a Controller's reserve, and instructing the Controller, after receiving supporting documentation from the PUC, to release the amount of construction funds equal to the lowest responsive construction bid received by the PUC, plus a ten percent construction contingency<sup>2</sup>. The Budget and Legislative Analyst also recommends releasing the remaining needed amount of \$19,153,678 for non-construction costs (the total requested release amount of \$298,408,678 less \$279,255,000 in estimated additional needed construction costs).

The Budget and Legislative Analyst further recommends that the Controller return any remaining funds to a Budget and Finance Committee reserve.

**RECOMMENDATIONS**

1. Increase the requested release of reserved funds by \$7,912,183, from the requested incorrect amount of \$290,496,495 to \$298,408,678 (File 10-1297).

<sup>1</sup> According to Mr. Jacobo, while an extension of the December 9, 2010 bid deadline is not currently anticipated, other WSIP Project construction contract bid deadlines have been extended due to factors which were unforeseen at the time the deadline was established such as changes to the scope of work.

<sup>2</sup> According to Mr. Jacobo, a ten percent construction contingency is the standard construction contingency included in all WSIP project construction budgets, and that the above-noted \$279,255,000 (see Table 1 above) estimated construction cost already includes a ten percent contingency.

2. Replace the existing Budget and Finance Committee reserve on the requested \$298,408,678 with a Controller's reserve, and request the Controller, after receiving supporting documentation from the PUC, to release the amount of construction funds equal to the lowest responsive construction bid received by the PUC, plus a ten percent construction contingency.
3. Release the estimated additional needed non-construction amount of \$19,153,678 (the total requested release amount of \$298,408,678 less \$279,255,000 in estimated additional needed construction costs).
4. Request the Controller to return any remaining unneeded funds to a Budget and Finance Committee reserve.
5. Approve the proposed resolution adopting the findings under (CEQA) (File 10-1302).



Harvey M. Rose

cc: Supervisor Avalos  
Supervisor Mirkarimi  
Supervisor Elsbernd  
President Chiu  
Supervisor Alioto-Pier  
Supervisor Campos  
Supervisor Chu  
Supervisor Daly  
Supervisor Dufty  
Supervisor Mar  
Supervisor Maxwell  
Clerk of the Board  
Cheryl Adams  
Controller  
Greg Wagner





**SAN FRANCISCO PUBLIC UTILITIES COMMISSION**

1155 Market St., 11th Floor, San Francisco, CA 94103 • Tel. (415) 554-3155 • Fax (415) 554-3161 • TTY (415) 554.3488



October 15, 2010

*File 101297*

**GAVIN NEWSOM**  
MAYOR

**F.X. CROWLEY**  
PRESIDENT

**FRANCESCA VIETOR**  
VICE PRESIDENT

**ANN MOLLER CAEN**  
COMMISSIONER

**ED HARRINGTON**  
GENERAL MANAGER

Angela Calvillo  
Clerk of the Board of Supervisors  
1 Dr. Carlton B. Goodlett Place  
City Hall, Room 244  
San Francisco, CA 94102

**Subject: Water System Improvement Program (WSIP)  
Release of Reserve for \$290,496,495**

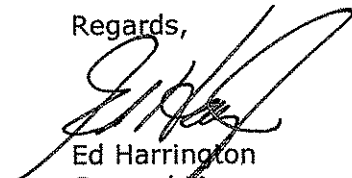
Dear Ms. Calvillo:

I would like to request your assistance to have calendared a release of reserve on the WSIP Project CUW367 – Harry Tracy Water Treatment Plant Long Term Improvement.

As part of the \$1.6 billion WSIP Supplemental Appropriation, new funding for projects exceeding \$100 million was placed on Board of Supervisors reserve pending California Environmental Quality Act (CEQA) approval. Funding is needed for awarding the construction contracts for the Harry Tracy Water Treatment Plant Long Term Improvement.

This request accompanies a Board’s Resolution adopting findings under the California Environmental Quality Act (CEQA) related to the New Irvington Tunnel Project.

Regards,

  
Ed Harrington  
General Manager

BY AK

RECEIVED  
BOARD OF SUPERVISORS  
SAN FRANCISCO  
2010 OCT 15 PM 4:24

FILE NO. 100337

ORDINANCE NO. 92-10

RO#10032  
SA#32

1 [Appropriating \$1,647,249,198 of proceeds from debt for the Water System Improvement  
2 Program at the Public Utilities Commission for Fiscal Year ~~2009-2010~~ 2010-2011 through  
3 Fiscal Year 2015-2016.]

4  
5 Ordinance appropriating \$1,647,249,198 of proceeds from debt for the San Francisco  
6 Public Utilities Commission (SFPUC) Water System Improvement Program (WSIP) for  
7 Fiscal Year ~~2009-2010~~ 2010-2011 through Fiscal Year 2015-2016, and placing the entire

8 appropriation of \$1,647,249,198 by project on Controller's reserve subject to SFPUC's  
9 and Board of Supervisors' discretionary approval following completion of project-  
10 related analysis pursuant to the California Environmental Quality Act (CEQA), where  
11 required, and receipt of proceeds of indebtedness, placing on Budget and Finance  
12 Committee reserve the funds for construction costs of any project with costs in excess  
13 of \$100,000,000 and \$116,863,924 related to funding for project construction starting  
14 after June 30, 2012, and adopting environmental findings.

15 Note: Additions are single-underline italics Arial;  
16 Deletions are ~~strikethrough-italics Times New Roman~~.  
17 Board amendment additions are double underlined.  
18 Board amendment deletions are ~~strikethrough-normal~~.

19 Be it ordained by the People of the City and County of San Francisco:

20  
21 Section 1. The sources of funding outlined below are herein appropriated to reflect the  
22 funding available for Fiscal Year ~~2009-2010~~ 2010-2011 through Fiscal Year 2015-2016.  
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24  
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1 **SOURCES Appropriation**

2	Fund	Index Code /	Subobject	Description	Amount
3		Project Code			
4	5W CPF 02E – Public	*WTR5WCPF02E /	803XX	Proceeds of Debt	\$1,647,249,198
5	Utilities Commission- 2002	CUW3000100			
6	Proposition E Bond Fund				
7	<b>Total SOURCES Appropriation</b>				<b>\$1,647,249,198</b>

8

9 Section 2: The uses of funding outlined below are herein de-appropriated in Subobject 06700  
 10 Buildings Structures and Improvements, and reflects the funding available for Fiscal Year  
 11 2009-2010.

12

13 **USES De-appropriation**

14	Fund	Index Code /	Subobject	Description	Amount
15		Project Code			
16	5W CPF 02E – Public	WTRSIPCPF02E	06700 Buildings,	San Francisco	\$29,408,888
17	Utilities Commission-	Project:	Structures, and	Local Pump	
18	2002 Proposition E	CUWSLP0100	Improvements	Stations / Tanks	
19	Bond Fund				
20					
21	5W CPF 02E – Public	WTRSIPCPF02E	06700 Buildings,	San Francisco	\$10,831,228
22	Utilities Commission-	Project:	Structures, and	Local Pipeline /	
23	2002 Proposition E	CUWSLV0100	Improvements	Valves	
24	Bond Fund				

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Fund	Index Code / Project Code	Subobject	Description	Amount
5W CPF 02E – Public Utilities Commission- 2002 Proposition E Bond Fund	WTRSIPCPF02E Project: CUWSLM0100	06700 Buildings, Structures, and Improvements	San Francisco Local Miscellaneous	\$909,600
<b>Total USES De-appropriation</b>				<b>\$41,149,716</b>

Section 3. The uses of funding outlined below are herein appropriated in Subobject 06700 Buildings Structures and Improvements and 081C4 Internal Audits, and reflects the projected uses of funding to support the Water System Improvement Program at the San Francisco Public Utilities Commission for Fiscal Year ~~2009-2010~~ 2010-2011 through Fiscal Year 2015-2016.

**USES Appropriation**

Fund	Index Code / Project Code	Subobject	Description	Amount
5W CPF 02E – Public Utilities Commission- 2002 Proposition E Bond Fund	WTRSIPCPF02E Project: CUWSJI0100	06700 Buildings, Structures, and Improvements	San Joaquin Water System Improvements	\$222,715,803



1	Fund	Index Code /	Subobject	Description	Amount
2		Project Code			
3	5W CPF 02E – Public	WTRSIPCPF02E	06700 Buildings,	Sunol Valley	\$247,478,748
4	Utilities Commission-	Project:	Structures, and	Water System	
5	2002 Proposition E	CUWSVI0100	Improvements	Improvements	
6	Bond Fund				
7					
8	5W CPF 02E – Public	WTRSIPCPF02E	06700 Buildings,	Bay Division	\$126,305,586
9	Utilities Commission-	Project:	Structures, and	Water System	
10	2002 Proposition E	CUWBDI0100	Improvements	Improvements	
11	Bond Fund				
12					
13	5W CPF 02E – Public	WTRSIPCPF02E	06700 Buildings,	Peninsula Water	\$557,562,377
14	Utilities Commission-	Project:	Structures, and	System	
15	2002 Proposition E	CUWPWI0100	Improvements	Improvements	
16	Bond Fund				
17					
18	5W CPF 02E – Public	WTRSIPCPF02E	06700 Buildings,	San Francisco	\$16,250,288
19	Utilities Commission-	Project:	Structures, and	Regional Water	
20	2002 Proposition E	CUWSFR0100	Improvements	System Projects	
21	Bond Fund				
22					
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1	Fund	Index Code /	Subobject	Description	Amount
2	Project Code				
3	5W CPF 02E – Public	WTRSIPCPF02E	06700 Buildings,	Environmental	\$168,269
4	Utilities Commission-	Project:	Structures, and	Impact Project	
5	2002 Proposition E	CUW3880100	Improvements	(PEIR)	
6	Bond Fund				
7					
8	<del>5W CPF 02E – Public</del>	<del>WTRSIPCPF02E</del>	<del>06700 Buildings,</del>	<del>Habitat Reserve</del>	<del>\$41,286,387</del>
9	Utilities Commission-	Project:	Structures, and	Program	
10	2002 Proposition E	CUW3880100	Improvements		
11	Bond Fund				
12					
13	5W CPF 02E – Public	WTRSIPCPF02E	06700 Buildings,	Program	\$55,804,772
14	Utilities Commission-	Project:	Structures, and	Management	
15	2002 Proposition E	CUW3920100	Improvements		
16	Bond Fund				
17					
18	5W CPF 02E – Public	WTRSIPCPF02E	06700 Buildings,	Watershed	\$13,184,886
19	Utilities Commission-	Project:	Structures, and	Environmental	
20	2002 Proposition E	CUW3940100	Improvements	Improvement	
21	Bond Fund			Program	
22					
23					
24					
25					

1	Fund	Index Code /	Subobject	Description	Amount
2		Project Code			
3	5W CPF 02E – Public	WTRSIPCPF02E	06700 Buildings,	San Francisco	\$26,572,340
4	Utilities Commission-	Project:	Structures, and	Local Reservoirs	
5	2002 Proposition E	CUWSLR0100	Improvements		
6	Bond Fund				
7					
8	5W CPF 02E – Public	WTRSIPCPF02E	06700 Buildings,	Lake Merced	\$22,407,134
9	Utilities Commission-	Project:	Structures, and	Water Level	
10	2002 Proposition E	CUW3010100	Improvements	Restoration	
11	Bond Fund				
12					
13	5W CPF 02E – Public	WTRSIPCPF02E	06700 Buildings,	San Francisco	\$31,126,553
14	Utilities Commission-	Project:	Structures, and	Ground Water	
15	2002 Proposition E	CUW3010200	Improvements	Supply	
16	Bond Fund				
17					
18	5W CPF 02E – Public	WTRSIPCPF02E	06700 Buildings,	Recycled Water	\$110,146,222
19	Utilities Commission-	Project:	Structures, and	Project San	
20	2002 Proposition E	CUW3020100	Improvements	Francisco	
21	Bond Fund				
22					
23					
24					
25					

1	Fund	Index Code /	Subobject	Description	Amount
2		Project Code			
3	5W CPF 02E – Public	WTRSIPCPF02E	06700 Buildings,	San Francisco	\$18,289,688
4	Utilities Commission-	Project:	Structures, and	Eastside	
5	2002 Proposition E	CUW3020500	Improvements	Recycled Water	
6	Bond Fund				
7					
8	5W CPF 02E – Public	WTRSIPCPF02E	06700 Buildings,	Financing Costs	\$196,203,562
9	Utilities Commission-	Project:	Structures, and		
10	2002 Proposition E	CUW3000100	Improvements		
11	Bond Fund				
12					
13	5W CPF 02E – Public	WTRSIPCPF02E	081C4 Internal	City Services	\$2,896,299
14	Utilities Commission-	Project:	Audits	Auditor	
15	2002 Proposition E	CUW3000100			
16	Bond Fund				
17	<b>Total USES Appropriation</b>				<b><u>\$1,688,398,914</u></b>

20 Section 4. The total appropriation of \$1,647,249,198 is placed on Controller's Appropriation  
21 Reserve by project. Release of appropriation reserves by the Controller is subject to the prior  
22 occurrence of: 1) the SFPUC's and the Board of Supervisors' discretionary adoption of CEQA  
23 Findings for projects, following review and consideration of completed project-related  
24 environmental analysis, where required, pursuant to CEQA, the State CEQA Guidelines, and  
25 Chapter 31 of the San Francisco Administrative Code, and 2) the Controller's certification of

1 funds availability, including proceeds of indebtedness. The appropriation for funding the  
2 construction costs of any project with costs in excess of \$100,000,000 is placed on Budget  
3 and Finance Committee reserve pending review and reserve release by the Budget and  
4 Finance Committee. The appropriation of funding for project construction for Upper Alameda  
5 Creek Filter Gallery (\$15,314,352), Peninsula Pipelines Seismic Upgrade (\$10,242,545),  
6 Regional Groundwater Storage and Recovery (\$33,490,259), Lake Merced Water Level  
7 Restoration (\$22,919,437) and Program Management (\$34,897,331) starting after June 30,  
8 2012, amounting to a total of \$116,863,924, is placed on Budget and Finance Committee  
9 reserve pending review of updated expenditure plans subsequent to January 1, 2012 but prior  
10 to June 30, 2012.

11  
12 Section 5. Findings.

13 (a) The Board of Supervisors previously appropriated \$1,923,629,194 for the WSIP, by  
14 Ordinance No 311-08 (finally passed on December 16, 2008), and made the following findings  
15 in compliance with CEQA, California Public Resources Code Section 21000 et seq., the  
16 CEQA Guidelines, 14 Cal. Code of Regulations Sections 15000 et seq. (CEQA Guidelines),  
17 and San Francisco Administrative Code Chapter 31 (Chapter 31), and hereby adopts the  
18 same findings with respect to this appropriation ordinance: (i) On October 30, 2008, the  
19 Planning Commission reviewed and considered the Water System Improvement Program  
20 Final Environmental Impact Report (WSIP Final EIR) by Motion No. 17734, and found that the  
21 contents of said report and the procedures through which the Final EIR was prepared,  
22 publicized, and reviewed, complied with CEQA and Chapter 31; a copy of the motion is on file  
23 with the Clerk of the Board in File No. 081453 and is incorporated into this Ordinance by this  
24 reference. (ii) On October 30, 2008, the SFPUC adopted Resolution Nos. 08-0200 and 08-  
25 0202 in which the SFPUC: (A) approved the Phased Water System Improvement Program

1 (Phased WSIP) and (B) authorized the SFPUC General Manager to request that the Mayor  
2 recommend approval of a Supplemental Appropriation to the Board of Supervisors in the  
3 amount of \$1,923,629,194. (iii) SFPUC Resolution No. 08-0200 contained environmental  
4 findings and adopted a mitigation monitoring and reporting plan (MMRP), the MMRP and  
5 environmental findings, including exhibits, are collectively referred to herein as "SFPUC  
6 CEQA Findings" for the implementation of the Phased WSIP, as required by CEQA. SFPUC  
7 CEQA Findings included extensive findings regarding the Phased WSIP potential  
8 environmental impacts, the sufficiency of mitigation measures, responsibility for  
9 implementation of mitigation measures including a mitigation and monitoring report, and a  
10 statement of overriding considerations regarding potentially significant and unavoidable  
11 impacts. The SFPUC CEQA Findings reflected the SFPUC's independent review and  
12 consideration of the relevant environmental information contained in the WSIP Final EIR and  
13 the administrative record. The SFPUC CEQA Findings are on file with the Clerk of the Board  
14 of Supervisors in File No. 081453 and are incorporated herein by reference. (iv) The Board  
15 of Supervisors has had the opportunity to review and consider the Final EIR and the  
16 administrative record, which are located at the Planning Department at 1650 Mission Street,  
17 Suite 400, in file no. 2005.0159E. The Board of Supervisors has reviewed and considered the  
18 Final EIR and the SFPUC CEQA Findings with respect to this Ordinance, including the MMRP  
19 and Statement of Overriding Considerations adopted by the SFPUC on October 30, 2008, and  
20 determined that said Findings remain valid for the actions contemplated in this Ordinance;  
21 there are no changed circumstances or other factors present that would require additional  
22 environmental review for this Ordinance. (v) The Board hereby adopts as its own and  
23 incorporates the SFPUC CEQA Findings contained in SFPUC Resolution No. 08-0200 by  
24 reference as though such findings were fully set forth in this Ordinance. (vi) The Board of  
25 Supervisors endorses the implementation of the mitigation measures identified in the SFPUC

1 CEQA Findings and recommends for adoption any mitigation measures that are enforceable  
2 by agencies other than City agencies, all as set forth in the SFPUC CEQA Findings, including  
3 the MMRP contained in the referenced SFPUC CEQA Findings. (vii) The Board of  
4 Supervisors finds on the basis of substantial evidence in light of the whole record that: (A) the  
5 WSIP Supplemental Appropriation reflected in this Ordinance before the Board of Supervisors  
6 will not require revisions to the Final EIR due to the involvement of new significant  
7 environmental effects or substantially increase in the severity of previously identified  
8 significant effects; (B) no substantial changes have occurred with respect to the  
9 circumstances under which the Phased WSIP will be undertaken which would require major  
10 revisions to the Final EIR due to the involvement of new significant environmental effects, or a  
11 substantial increase in the severity of effects identified in the Final EIR; and (C) no new  
12 information of substantial importance to the Phased WSIP has become available which would  
13 indicate (1) the Program will have significant effects not discussed in the Final EIR; (2)  
14 significant environmental effects will be substantially more severe; (3) mitigation measures or  
15 alternatives found not feasible which would reduce one or more significant effects have  
16 become feasible; or (4) mitigation measures or alternatives which are considerably different  
17 from those in the Final EIR would substantially reduce one or more significant effects on the  
18 environment.

FUNDS AVAILABLE

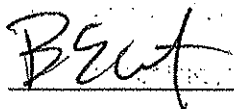
APPROVED AS TO FORM:

BÉN ROSENFELD

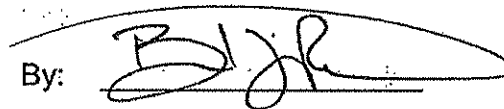
DENNIS J. HERRERA, City Attorney

Controller

By:

  
\_\_\_\_\_

By:

  
\_\_\_\_\_

Deputy City Attorney

Date: 3/16/2010

Amended Date: 4/8/2010





City and County of San Francisco  
Tails  
Ordinance

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

File Number: 100337

Date Passed: April 20, 2010

Ordinance appropriating \$1,647,249,198 of proceeds from debt for the San Francisco Public Utilities Commission (SFPUC) Water System Improvement Program (WSIP) for FY2010-2011 through FY2015-2016, and placing the entire appropriation of \$1,647,249,198 by project on Controller's reserve subject to SFPUC's and Board of Supervisors' discretionary approval following completion of project-related analysis pursuant to the California Environmental Quality Act (CEQA), where required, and receipt of proceeds of indebtedness, placing on Budget and Finance Committee reserve the funds for construction costs of any project with costs in excess of \$100,000,000 and \$116,863,924 related to funding for project construction starting after June 30, 2012, and adopting environmental findings.

~~April 13, 2010 Board of Supervisors - PASSED, ON FIRST READING~~

~~Ayes: 11 - Alioto-Pier, Avalos, Campos, Chiu, Chu, Daly, Dufty, Elsbernd, Mar, Maxwell and Mirkarimi~~

April 20, 2010 Board of Supervisors - FINALLY PASSED

Ayes: 10 - Alioto-Pier, Avalos, Campos, Chiu, Chu, Daly, Dufty, Elsbernd, Mar and Mirkarimi  
Excused: 1 - Maxwell

File No. 100337

I hereby certify that the foregoing Ordinance was FINALLY PASSED on 4/20/2010 by the Board of Supervisors of the City and County of San Francisco.

Mayor Gavin Newsom

Angela Calvillo  
Clerk of the Board

4-30-10

Date Approved

