

File No. 110187

Committee Item No. 5  
Board Item No. 18

### COMMITTEE/BOARD OF SUPERVISORS AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance SUB-Committee

Date: March 9, 2011

Board of Supervisors Meeting

Date 3/15/11

#### Cmte Board

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| <input type="checkbox"/>            | <input type="checkbox"/>            | Motion                                       |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Resolution                                   |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Ordinance                                    |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Legislative Digest                           |
| <input checked="" type="checkbox"/> | <input checked="" 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 checked="" 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                                 |
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#### OTHER

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\*Calaveras Dam Replacement Project – Environmental Impact Report – Volumes 1 through 6

\*Attachment A Calaveras Dam Replacement Project CEQA Findings

\*Calavera Dam Replacement Project Mitigation Monitoring and Reporting

Completed by: Victor Young  
Completed by: Victor Young

Date: March 4, 2011  
Date: 3-10-11

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

1 [CEQA Findings for Public Utilities Commission Calaveras Dam Replacement Project]

2  
3 **Resolution adopting findings under the California Environmental Quality Act, including**  
4 **the adoption of a mitigation monitoring and reporting program and a statement of**  
5 **overriding considerations related to the Water System Improvement Program Calaveras**  
6 **Dam Replacement Project, in Alameda and Santa Clara Counties, including the mitigation**  
7 **habitat actions at various sites; and directing the Clerk of the Board of Supervisors to**  
8 **notify the Controller of this action.**

9  
10 WHEREAS, The San Francisco Public Utilities Commission (SFPUC) has developed  
11 and approved a project description for the Calaveras Dam Replacement Project (CDRP),  
12 Project No CUW37401, located in Alameda and Santa Clara Counties, which is a water  
13 infrastructure project included as part of the Water System Improvement Program (WSIP);  
14 and

15 WHEREAS, The Project was developed in response to concerns of the California  
16 Department of Water Resources, Division of Safety of Dams (DSOD) direction, the Project  
17 entails rebuilding the dam in order to eliminate the seismic safety concerns associated with  
18 the original dam. The Project would replace the existing dam with a new dam to  
19 accommodate a public water supply reservoir of the same size as the original plans (96,850  
20 AF) and meet current seismic safety design requirements. When the proposed replacement  
21 dam is completed, DSOD water level restrictions would be lifted and the original reservoir and  
22 pool would be restored. Completion of the proposed project would help the SFPUC achieve  
23 the WSIP Level of Service goals and objectives adopted by the SFPUC in Resolution No. 08-  
24 200. Replacing Calaveras Dam and re-establishing the reservoir pool to its pre-DSOD  
25 restricted level would restore the facility's role within the SFPUC regional water system with

1 respect to delivery reliability and water supply during planned and unplanned interruptions of  
2 the SFPUC's regional water system and during periods of drought, as well as enhance  
3 seismic safety, reliability, and water quality; and

4 WHEREAS, SFPUC staff has developed and approved additional design refinements  
5 and fisheries enhancements subsequent to the publication of the Draft Environmental Impact  
6 Report ("EIR") that are described as the CDRP Variant (the "Project") in the Comments and  
7 Responses document, included in the Final EIR; and

8 WHEREAS, The objectives of the Project are to re-establish water delivery reliability, to  
9 restore water supply and the capacity of the reservoir to its pre-2001 restriction level of 96,850  
10 AF using water from the Alameda Creek watershed, thereby restoring 7 million gallons per  
11 day (mgd) of water supply during the 8.5-year design drought (the SFPUC's drought planning  
12 scenario), to improve seismic reliability through construction of a replacement dam designed  
13 to safely retain 96,850 AF of water and withstand the maximum credible earthquake (7.25  
14 moment magnitude) on the Calaveras fault, to construct a new dam with a robust design (wide  
15 centrally-located clay core, wide filters, and internal drainage) that could accommodate  
16 potential enlargement by future generations, continue reservoir and outer works operation, to  
17 the extent possible, during construction, and to maintain high water quality, re-creating a  
18 deeper pool that would keep water temperatures cooler to limit algal growth in the reservoir;  
19 and

20 WHEREAS, An environmental impact report as required by the California  
21 Environmental Quality Act (CEQA) was prepared for the Project in Planning Department File  
22 No. File No. 2005.0161E; and

23 WHEREAS, The Project is a capital improvement project approved by the SFPUC as  
24 part of the WSIP; and

1           WHEREAS, The Final EIR (FEIR) was certified by the San Francisco Planning  
2 Commission on January 27, 2011 by Motion No. M-18261; and

3           WHEREAS, The FEIR prepared for the Project is tiered from the WSIP Program  
4 Environmental Impact Report (PEIR) certified by the Planning Commission on October 30,  
5 2008 by Motion No. 17734; and

6           WHEREAS, Thereafter, the SFPUC approved the WSIP and adopted findings and a  
7 Mitigation Monitoring and Reporting Program (PEIR MMRP) as required by CEQA on October  
8 30, 2008 by Resolution No. 08-200; and

9           WHEREAS, On January 27, 2011, the San Francisco Public Utilities Commission  
10 (SFPUC), by Resolution No. 11-0015, a copy of which is included in Board of Supervisors File  
11 No. 110187 and which is incorporated herein by this reference: (1) approved the Project; (2)  
12 adopted findings (CEQA Findings), including a statement of overriding considerations, and a  
13 Mitigation Monitoring and Reporting Program (MMRP) required by CEQA; and

14           WHEREAS, The Project files, including the FEIR, PEIR and SFPUC Resolution No. 11-  
15 0015 have been made available for review by the Board and the public, and those files are  
16 considered part of the record before this Board; and

17           WHEREAS, At the time of Project approval, SFPUC staff anticipates that  
18 implementation of the Project may include, but may not be limited to, Mitigation Habitat  
19 Actions at five identified sites: (1) South Calaveras, (2) San Antonio, (3) Sage Canyon, (4)  
20 Goat Rock, and (5) Koopmann Road, and/or other sites developed in consultation with certain  
21 state and federal regulatory agencies. These sites were selected and designed using the  
22 conservation principles required by the PEIR and subsequent SFPUC adoption of the PEIR  
23 MMRP, which prescribe a coordinated approach in developing mitigation for biological  
24 resource impacts of individual WSIP facility projects in order to avoid habitat fragmentation,  
25 preserve wildlife movement corridors and allow for plants and wildlife to disperse over large

1 contiguous habitat areas. Therefore, it is necessary and appropriate for the SFPUC to  
2 implement compensatory mitigation habitat improvements at these sites to minimize overall  
3 environmental impacts, and to achieve the overall habitat preservation and creation functions  
4 of the site(s), notwithstanding that mitigation at these sites may be in excess of resource  
5 agency requirements for the Project or other future SFPUC projects. By authorizing  
6 implementation of the full mitigation site(s) in connection with the Project, once approved by  
7 the resource agencies, neither the SFPUC nor this Board make any commitment to approve  
8 any other WSIP project or mitigation, nor do the SFPUC and this Board make any  
9 determination as to the adequacy of the five compensation sites as mitigation for any other  
10 WSIP project, and both the SFPUC and this Board retain full discretion to consider the  
11 environmental documents for other WSIP projects, including but not limited to mitigation  
12 measures therein, and to approve or disapprove the project and the compensatory mitigation  
13 habitat proposed for impacts resulting from those projects; and

14 WHEREAS, The Board of Supervisors has reviewed and considered the information  
15 and findings contained in the FEIR, PEIR and SFPUC Resolution No. 11-0015, and all written  
16 and oral information provided by the Planning Department, the public, relevant public  
17 agencies, SFPUC and other experts and the administrative files for the Project; and

18 WHEREAS, This Board of Supervisors adopted Ordinance No. 0092-10 that placed  
19 WSIP appropriated funds on Controller's Appropriation Reserve, by project, making release of  
20 appropriation reserves by the Controller subject to the prior occurrence of: (1) the SFPUC's  
21 and the Board's discretionary adoption of CEQA Findings for each project, following review  
22 and consideration of completed project-related environmental analysis, pursuant to CEQA, the  
23 State CEQA Guidelines, and Chapter 31 of the San Francisco Administrative Code, where  
24 required, and (2) the Controller's certification of funds availability, including proceeds of  
25 indebtedness. The ordinance also placed any project with construction costs in excess of

1 \$100 million on Budget and Finance Committee reserve pending review and reserve release  
2 by that Committee, and Project costs are above that threshold. Funding for the Project will be  
3 provided from Calaveras Dam Replacement Project No. CUW37401, together with funding for  
4 the Mitigation Habitat Actions that will be provided, in part, from Project No. CUW3880100,  
5 referred to as the Habitat Reserve Program in the Supplemental Appropriation Ordinance  
6 0092-10; now, therefore, be it

7       RESOLVED, That the Board of Supervisors has reviewed and considered the FEIR  
8 and record as a whole, finds that the FEIR is adequate for its use as the decision-making  
9 body for the action taken herein including, but not limited to, approval of the Project and  
10 adopts and incorporates by reference as though fully set forth herein the CEQA Findings,  
11 including the statement of overriding considerations, and the MMRP contained in Resolution  
12 No. 11-0015; and be it

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

17       FURTHER RESOLVED, The Board finds that since the FEIR was finalized, there have  
18 been no substantial project changes and no substantial changes in Project circumstances that  
19 would require major revisions to the FEIR due to the involvement of new significant  
20 environmental effects or an increase in the severity of previously identified significant impacts,  
21 and there is no new information of substantial importance that would change the conclusions  
22 set forth in the FEIR; and be it

23       FURTHER RESOLVED, That the Board directs the Clerk of the Board to forward this  
24 Resolution to the Controller for the release of the reserved funds.  
25

Items 4 and 5  
Files 11-0188 and 11-0187

Department:  
Public Utilities Commission (PUC)

## EXECUTIVE SUMMARY

### Legislative Objective

- File 11-0188: Request to release \$330,510,906 reserved by the Budget and Finance Committee to fund the construction of the Calaveras Dam Replacement Project.
- File 11-0187: Resolution adopting findings under the California Environmental Quality Act (CEQA) for the Calaveras Dam Replacement Project, and directing the Clerk of the Board of Supervisors to notify the Controller of this action.

### Key Points

- As of April 20, 2010, the Board of Supervisors has appropriated a total of \$409,445,000 for the Calaveras Dam Replacement Project, including (a) \$78,934,094 in various appropriations, which are currently not on reserve, and (b) \$330,510,906 in appropriated and reserved funds (Ordinance 311-08, File 08-1453; Ordinance 92-10, File 10-0337).
- Ordinances 311-08 and 92-10 placed the entire appropriation of \$330,510,906 on two separate but overlapping reserves, including (a) a Budget and Finance Committee reserve, and (b) a Controller's reserve pending the Board of Supervisors approval of the Environmental Impact Reports (EIRs) prepared pursuant to the California Environmental Quality Act (CEQA).
- The Calaveras Dam Replacement Project, one of 86 separate capital improvement projects under the PUC's Water System Improvement Program (WSIP), will result in the construction of a new Calaveras Dam in the Sunol Valley in order to increase the seismic reliability and in order to increase the water storage capacity of the Calaveras Reservoir and Dam.

### Fiscal Impacts

- As of February 23, 2011, the PUC has expended \$47,836,959 of the previously appropriated and not reserved funds of \$78,934,094, such that the PUC has \$31,097,135 in available unreserved funds.
- Of the estimated remaining total expenditures of \$361,608,041 (\$409,445,000 less \$47,836,959), \$41,895,832 will be expended for non-construction costs and (b) \$319,712,209 (including a ten percent contingency) will be expended for construction costs. Actual construction costs will be known when construction bids are received on April 21, 2011.
- The PUC's current total estimated cost for the Calaveras Dam Replacement Project is \$434,143,000, which is an increase of \$24,698,000, or six percent more than the PUC's previously approved budget of \$409,445,000. The PUC states that the \$24,698,000 increase is a result of costs associated with environmental mitigation. However, because the current projected cost of all 86 WSIP Projects is \$4,442,000,000, which is \$143,556,261 or 3.1 percent less than the PUC's previously estimated WSIP approved budget of \$4,585,556,261, the PUC anticipates utilizing such cost-savings to fund the \$24,698,000 increase in the Calaveras Dam Replacement Project.

**Recommendations**

- Approve the proposed resolution adopting the findings under CEQA (File 11-0187).
- Subject to the approval of the proposed settlement agreement, release a total of \$17,698,697 from a Budget and Finance Committee reserve, including (a) \$6,900,000 for construction-related costs, including \$2,000,000 for settlement costs, which are not part of the main construction contract and must be completed prior to the commencement of construction on August 1, 2011, and (b) \$10,798,697 in estimated additional non-construction costs (the total requested release amount of \$330,510,906 less \$319,712,209 (see Table 1 below) in estimated additional construction costs).
- Replace the existing Budget and Finance Committee reserve on the remaining \$312,812,209 (requested release from reserve of \$330,510,906 less recommended release of \$17,698,697) with a Controller's reserve, and instruct 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 for the main construction contract, plus a ten percent construction contingency.
- Request the Controller to return any remaining unneeded funds for the Calaveras Dam Replacement Project to a Budget and Finance Committee reserve.



**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 Calaveras Dam Replacement 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 Calaveras Dam Replacement Project is one of 86 separate capital improvement projects included in the PUC's Water System Improvement Program (WSIP)<sup>1</sup>. The Calaveras Dam Replacement Project, in Sunol Valley, would result in the construction of a new 210 foot high and 1,210 foot long dam at the Calaveras Reservoir in order to (1) provide increased seismic reliability for the Calaveras Dam, and (2) restore the water storage capacity of the Calaveras Reservoir to its original level of 96,850 acre feet of water, or 31,558,708,090 gallons, instead of the currently restricted amount of 38,740 acre feet of water, or 12,623,483,236 gallons. Due to seismic safety concerns, the existing Calaveras Reservoir currently operates under a restriction imposed in 2001 by the California Division of Safety of Dams that limits the storage of water to 38,740 acre feet of water, or 12,623,483,236 gallons, which is only 40 percent of the normal reservoir capacity of 96,850 acre feet of water, or 31,558,708,090 gallons. According to the most recent WSIP Quarterly Report published on February 8, 2011, construction of the Calaveras Dam is anticipated to begin on August 1, 2011 and be completed in four years, or by approximately July 31, 2015.

As of April 20, 2010, the Board of Supervisors had appropriated \$409,445,000 for completion of the Calaveras Dam Replacement Project, including (a) \$78,934,094 in various appropriations, which are currently not on reserve, and (b) \$330,510,906 in appropriated and reserved funds (Ordinance 311-08, File 08-1453; Ordinance 92-10, File 10-0337). Ordinances 311-08 and 92-

<sup>1</sup> Propositions A and E, which were approved by the San Francisco voters on November 4, 2002, authorized the PUC to issue Water Revenue Bonds to finance the PUC's \$4,585,556,261 Water System Improvement Program, which consists of 86 separate projects designed to provide increased water delivery capacity and seismic reliability throughout the Hetch Hetchy water system. The most recent quarterly report published by the PUC on February 8, 2011 (WSIP Regional Projects Quarterly Report for the 2<sup>nd</sup> Quarter of FY 2010-2011) estimates that WSIP will have a total cost of \$4,442,000,000, a reduction of \$143,556,261.

10 placed the entire appropriation of \$330,510,906 on two separate but overlapping reserves, including (a) a Budget and Finance Committee reserve, pending Budget and Finance Committee review of the Calaveras Dam Replacement Project, and (b) a Controller's reserve pending the Board of Supervisors approval of Environmental Impact Reports (EIRs) prepared pursuant to the California Environmental Quality Act (CEQA). Ordinances 311-08 and 92-10 require the Budget and Finance Committee to review any WSIP project in excess of \$100,000,000 prior to the release of reserved funds from a Budget and Finance Committee reserve. The Budget and Finance Committee did not list specific criteria for the release of the reserved funds.

## DETAILS OF PROPOSED LEGISLATION

The PUC is now requesting the release of the entire \$330,510,906 on Budget and Finance Committee reserve to fund the total estimated remaining project costs for the Calaveras Dam Replacement Project (File 11-0188).

The PUC is also requesting that the Board of Supervisors (a) adopt findings under the California Environmental Quality Act (CEQA) for the Calaveras Dam Replacement Project, and (b) direct the Clerk of the Board of Supervisors to notify the Controller of this action, such that the Controller will remove the overlapping separate reserve on the \$330,510,906, for the Calaveras Dam Replacement Project (File 11-0187).

## FISCAL IMPACT

### **Request to Release \$330,510,906 from Budget and Finance Committee Reserve (File 11-0188)**

The total project costs of the Calaveras Dam Replacement Project, as previously estimated by the PUC, are \$409,445,000 (see Policy Considerations section pertaining to the new estimate of \$434,143,000). Approval of this request would result in the release of \$330,510,906 of funds from Water Revenue Bond proceeds<sup>2</sup> previously appropriated and placed on Budget and Finance Committee reserve by the Board of Supervisors, pending Budget and Finance Committee review of the Calaveras Dam Replacement Project.

As discussed above, the Board of Supervisors previously appropriated \$409,445,000 for the Calaveras Dam Replacement Project, including (a) \$78,934,094 in various appropriations which are currently not on reserve, and (b) \$330,510,906 in appropriated and reserved funds. As shown in Table 1 below, as of February 23, 2011, out of the previously unreserved appropriation of \$78,934,094, the PUC had expended \$47,836,959 for (i) project management, (ii) planning, (iii) environmental review, (iv) design, (v) construction management<sup>3</sup>, and (vi) costs for construction

<sup>2</sup> Water Revenue Bonds are funded with revenues received from the PUC's water ratepayers.

<sup>3</sup> On July 20, 2010, the Board of Supervisors approved a construction management services agreement between the PUC and Black and Veatch, in a not-to-exceed amount of \$38,000,000 for a maximum term of 66 months (File 10-0855).

contracts<sup>4</sup> for the Calaveras Dam Replacement Project, such that an estimated \$361,608,041 (see Table 1 below) in additional Project expenditures have yet to be expended, based on the total estimated project costs of \$409,445,000 (\$409,445,000 less previous expenditures of \$47,836,959).

**Table 1: Estimated Calaveras Dam Replacement Project Costs**

Description	Approved Budget	Expended, as of February 23, 2011	Estimated Additional Expenditures
Project Management	\$9,352,000	\$5,590,548	\$3,761,452
Planning	6,035,000	6,035,000	0
Environmental Review	15,540,000	15,403,294	136,706
Design	20,095,000	18,980,932	1,114,068
Bid and Award	200,000	0	200,000
Construction Management	37,534,000	1,150,394	36,383,606
Close-Out	300,000	0	300,000
<b>Non-Construction Cost Subtotal</b>	<b>\$89,056,000</b>	<b>\$47,160,168</b>	<b>\$41,895,832</b>
Construction Cost	320,389,000	676,791	319,712,209
<b>Total Project Costs for Calaveras Dam Replacement</b>	<b>\$409,445,000</b>	<b>\$47,836,959</b>	<b>\$361,608,041</b>

Given that the PUC has expended \$47,836,959 out of the previously unreserved appropriation of \$78,934,094, \$31,097,135 is available for remaining project expenditures. As shown in Table 2 below, the PUC intends to fund the remaining Calaveras Dam Replacement Project costs of \$361,608,041 with (a) \$31,097,135 in unexpended and unreserved funds which were previously appropriated by the Board of Supervisors, and (b) the requested release of \$330,510,906 which was previously appropriated but reserved by the Board of Supervisors.

<b>Table 2: Requested Release of Reserves</b>	
Total Appropriated and Unreserved by the Board of Supervisors	\$ 78,934,094
Previously Expended (See Table 1)	47,836,959
<b>Available Funds</b>	<b>\$ 31,097,135</b>
<b>Requested Release of Reserved Funds (Subject of File 11-0188)</b>	<b>330,510,906</b>
<b>Total Estimated Additional Expenditures</b>	<b>\$ 361,608,041</b>

As shown in Table 1 above, the total estimated remaining non-construction costs are \$41,895,832. In order to fund the \$41,895,832 in total estimated non-construction costs, the PUC anticipates expending (a) \$31,097,135 in available unreserved funds, and (b) \$10,798,697 of the requested release of \$330,510,906.

<sup>4</sup> According to Mr. Carlos Jacobo, Budget Director at the PUC, the PUC has expended a total of \$676,791 on construction contracts to fund (1) the installation of a new stream gage on Alameda Creek, as part of the required project mitigation, and (2) part of the construction of a temporary off-site residence for the watershed keeper whose residence is located near the Calaveras Dam and will need to be relocated during the construction phase of the Calaveras Dam Replacement Project (see Table 3).

Mr. Carlos Jacobo, Budget Director at the PUC states that the total estimated remaining construction costs of \$319,712,209, as shown in Table 1 above, will fund construction and construction-related costs. On January 31, 2011, the PUC issued a Request for Bids for construction of the Calaveras Dam Replacement Project, with bids due by April 21, 2011.<sup>5</sup> Therefore, the actual construction agreement costs will not be known until April 21, 2011. Mr. Jacobo states that the PUC expects to award a construction agreement in late May 2011 to the lowest responsive bidder. The Budget and Legislative Analyst notes that approval of the construction agreement is not subject to Board of Supervisors approval because the PUC is authorized to award construction agreements, 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.

Mr. Jacobo advises that of the total estimated remaining construction costs of \$319,712,209 (see Table 1 above), an estimated \$6,900,000 in construction-related activities and costs, which will not be part of the main construction contract award, must be completed prior to the commencement of construction on August 1, 2011. Table 3 below identifies the \$6,900,000 costs associated with these construction-related activities.

**Table 3: Construction-related Costs**

Pre-purchase of electrical transformer and switchgear	\$ 500,000
PG&E Powerline Upgrade to 12kV	2,500,000
Wildlife exclusion fencing, cattle fencing, and hand clearing of sage scrub in staging areas and spoils disposal sites	400,000
Test pits and core borings in disposal sites	200,000
Temporary watershed keeper's residence	750,000
Cash payment for settlement agreement to East Bay Regional Park District	2,000,000
Temporary office in Sunol Valley for East Bay Regional Park District	550,000
<b>Total</b>	<b>\$ 6,900,000</b>

Of the \$6,900,000 in construction-related costs detailed in Table 3, subject to the approval of the proposed settlement agreement, the PUC anticipates expending a total of \$2,550,000 on the proposed settlement between the PUC and the East Bay Regional Park District, which is discussed below, including (i) a settlement amount of \$2,000,000 to be paid by the PUC to the East Bay Regional Park District (EBRPD), and (ii) an amount of \$550,000 for the PUC to construct a temporary office in the Sunol Valley for the EBRPD staff, which must be completed prior to the commencement of construction.

In addition, Mr. Jacobo advises that the \$2,500,000 Pacific Gas and Electric (PG&E) powerline upgrade will be performed by PG&E through a work order issued to PG&E because PG&E requires that any modifications to PG&E structures be performed by PG&E. Mr. Jacobo states that subsequent to a competitive bid process, the PUC will award construction agreements to complete the remaining \$2,400,000 (\$6,900,000 total less \$2,000,000 settlement with EBRPD less \$2,500,000 for the PG&E work). As noted above, Mr. Jacobo advises that the \$6,900,000

<sup>5</sup> Mr. Jacobo states that the original March 31, 2011 bid deadline was extended to April 21, 2011, to provide bidders additional time to properly account for the Calaveras Dam Replacement Project's complexities, including additional requirements imposed by the California Division of Occupational Safety and Health (Cal/OSHA) regarding the naturally occurring asbestos at the Calaveras project site.

detailed in Table 3 above must be completed prior to the commencement of construction on August 1, 2011.

**Adopt CEQA Findings and Remove the Overlapping Controller's Reserve  
(File 11-0187)**

The Board of Supervisors also approved a separate and overlapping Controller's reserve on the Calaveras Dam Replacement 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 proposed resolution (File 11-0187) would adopt the findings in accordance with CEQA for the Calaveras Dam Replacement Project, and then request 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 \$330,510,906 previously appropriated and reserved by the Board of Supervisors.

Mr. Jacobo advises that environmental mitigation is estimated to cost \$24,698,000, which will increase the budget for the Calaveras Dam Replacement Project from \$409,445,000 to \$434,143,000 (see Policy Considerations section below).

The Budget and Legislative Analyst notes that, in addition to the proposed resolution (File 11-0187) and the request to release funds on Budget and Finance Committee reserve (File 11-0188), the agenda for the Budget and Finance Sub-Committee meeting on March 9, 2011 includes a proposed resolution to be considered in closed session to approve a \$2,000,000 (see Table 3 above) settlement agreement between the East Bay Regional Park District (EBRPD) and the PUC (File 11-0175). The settlement agreement is related to the CEQA approval of the Calaveras Dam Replacement Project. According to Ms. Noreen Ambrose, General Counsel of the PUC, the terms of the settlement agreement would resolve issues related to the Calaveras Dam Replacement Project's construction activities. On February 15, 2011, the EBRPD filed an appeal of the EIR, preserving its right to object to the approval of the Calaveras Dam Replacement Project, pending Board of Supervisors approval of the proposed settlement agreement. Ms. Ambrose advises that if the Board of Supervisors approves the proposed settlement agreement, EBRPD will withdraw its appeal of the EIR and not challenge the certification of the EIR. Ms. Ambrose advises that if the Board of Supervisors does not approve the proposed settlement agreement, EBRPD will pursue CEQA litigation against the City challenging approval of the EIR for the Calaveras Dam Replacement Project, which may lead to delays in the construction for the project, thereby resulting in substantial increases in costs. However, because consideration of such a settlement agreement is scheduled to occur in closed session, the terms of such a settlement agreement are not included in this Budget and Legislative Analyst report.

## POLICY CONSIDERATIONS

**The Calaveras Dam Replacement Project is currently estimated to cost \$434,143,000, or \$24,698,000 more than the PUC's previously approved budget of \$409,445,000.**

The PUC's approved budget for the Calaveras Dam Replacement Project is \$409,445,000. However, Mr. Jacobo advises that the Calaveras Dam Replacement Project is currently projected to cost \$434,143,000, which is \$24,698,000 or six percent more than the PUC's previously approved budget. According to Mr. Jacobo, this \$24,698,000 projected cost increase is due to anticipated increased environmental mitigation requirements, including (a) on-site environmental restoration of habitat and riparian corridors for special status species, (b) construction of a natural barrier fish passage, (c) archeological discoveries and relocations in the area around the Calaveras Dam, and (d) the construction of a fish ladder and fish screens at the Alameda Creek Diversion Dam (ACDD) to provide a means for steelhead trout (an endangered species) to pass around the ACDD and to prevent the entrapment of steelhead in the diversion tunnel, as detailed in Table 4 below provided by the PUC.

**Table 4: Estimated Costs of Previously Unbudgeted Environmental Mitigation Costs**

Specialty on-site environmental restoration	\$ 1,000,000
Construction of a natural barrier fish passage	1,000,000
Archaeological discoveries/relocations	698,000
Alameda Creek Diversion Dam fish ladder and fish screens	22,000,000
<b>Total</b>	<b>\$ 24,698,000</b>

Although the current projected cost for the Calaveras Dam Replacement Project has increased by \$24,698,000 over the PUC's previously approved budget, the current<sup>6</sup> overall WSIP forecasted cost is \$4,442,000,000, which is \$143,556,261 or 3.1 percent less than the PUC's previously estimated overall WSIP approved budget of \$4,585,556,261. The reduced costs are based on PUC's projected reduced costs in various other WSIP projects. The PUC is scheduled to provide an update on WSIP in a hearing before the Budget and Finance Sub-Committee on March 9, 2011 (File 09-0417).

According to Mr. Jacobo, the PUC does not anticipate requiring a supplemental appropriation for the increased costs of \$24,698,000 for the Calaveras Dam Replacement Project. However, the Budget and Legislative Analyst notes that WSIP project funds are appropriated to the PUC by region, such that the reallocation of funds to the Sunol Valley Region (which includes the Calaveras Dam Replacement Project) from any other region would require approval by the Controller who is required to report to the Board of Supervisors, on a quarterly basis, as to any transfers of appropriations between PUC projects, if such transfers increase total project appropriations by more than ten percent (Ordinance 196-05, File 05-1045).

<sup>6</sup> The current overall WSIP costs are based on the PUC's WSIP Quarterly Report, published on February 8, 2011.

The Budget and Legislative Analyst notes that the current projected costs for WSIP projects in the Sunol Valley Region total \$1,053,631,000, which is \$24,958,000 or 2.4 percent more than the approved budget of \$1,028,673,000. However, Mr. Jacobo notes that the costs for other WSIP projects in the Sunol Valley Region may decrease as (a) project designs are refined, and (b) construction bids continue to trend below estimated costs.

**The actual construction costs will not be known until after the PUC receives construction bids, which are currently due on April 21, 2011**

The Budget and Legislative Analyst notes that the Board of Supervisors could continue the requested release of reserved funds of \$312,812,209 until after the PUC receives the construction bids for the Calaveras Dam Replacement Project, which are currently due on April 21, 2011. If the subject request is continued until late May 2011, the actual amount to be released would then be equal to the actual award amount of the construction contract (plus a contingency), plus (a) \$6,900,000 (see Table 3 above) in construction-related costs and (b) the remaining non-construction costs of \$10,798,697 (the total requested release amount of \$330,510,906 less \$319,712,209 (see Table 1 above) in estimated additional needed construction costs), rather than the released amount being based on an estimate of the costs as currently provided by the PUC.

However, according to Mr. Jacobo, continuing the subject request could result in delays to the Calaveras Dam Replacement Project due to construction-related activities totaling \$6,900,000 that must be completed prior to the commencement of construction on August 1, 2011, as detailed in Table 3 above. Further, Mr. Jacobo notes that the Budget and Finance Committee will be considering the City's annual budget in late May and June and may not be available to release the required PUC funds. Mr. Jacobo advises that the PUC wants to award a construction contract for the Calaveras Dam Replacement Project in May 2011, in order to maintain the project's schedule.

As such, the Budget and Legislative Analyst instead recommends that the Budget and Finance Committee, subject to the approval of the proposed settlement agreement, (1) release a total of \$17,698,697 from the Budget and Finance Committee reserve, including (a) \$6,900,000 (see Table 3 above) for construction-related costs which are not part of the main construction contract and must be completed prior to the commencement of construction on August 1, 2011, and (b) the remaining \$10,798,697 for non-construction costs (the total requested release amount of \$330,510,906 less \$319,712,209 (see Table 1 above) in estimated additional construction costs), (2) replace the Budget and Finance Committee reserve on the remaining \$312,812,209 (total requested release of \$330,510,906 less \$17,698,697 recommended release) with a Controller's reserve, and (3) instruct 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 for the main construction contract, plus a ten percent construction contingency<sup>7</sup>.

<sup>7</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 \$319,712,209 (see Table 1 above) in estimated construction costs already includes a ten percent contingency.

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

## RECOMMENDATIONS

1. Approve the proposed resolution adopting the findings under CEQA (File 11-0187).
2. Subject to the approval of the proposed settlement agreement, release a total of \$17,698,697 from a Budget and Finance Committee reserve, including (a) \$6,900,000 for construction-related costs, including \$2,000,000 for settlement costs, which are not part of the main construction contract and must be completed prior to the commencement of construction on August 1, 2011, and (b) \$10,798,697 in estimated additional non-construction costs (the total requested release amount of \$330,510,906 less \$319,712,209 (see Table 1 above) in estimated additional construction costs).
3. Replace the existing Budget and Finance Committee reserve on the remaining \$312,812,209 (requested release of \$330,510,906 less recommended release of \$17,698,697) with a Controller's reserve, and instruct 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 for the main construction contract, plus a ten percent construction contingency.
4. Request the Controller to return any remaining unneeded funds for the Calaveras Dam Replacement Project to a Budget and Finance Committee reserve.





# SAN FRANCISCO PLANNING DEPARTMENT

## Planning Commission Motion No. 18261

HEARING DATE: January 27, 2011

*Hearing Date:* January 27, 2011  
*Case No.:* 2005.0161E  
*Project:* Calaveras Dam replacement Project  
*Project Location:* Unincorporated Areas of Alameda and Santa Clara Counties  
*Project Sponsor:* San Francisco Public Utilities Commission  
1145 Market Street, 5<sup>th</sup> Floor  
San Francisco, CA 94103  
*Staff Contact:* Chris Kern – (415) 575-9037  
chris.kern@sfgov.org

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### ADOPTING FINDINGS RELATED TO THE CERTIFICATION OF A FINAL ENVIRONMENTAL IMPACT REPORT FOR THE PROPOSED CALAVERAS DAM REPLACEMENT PROJECT.

MOVED, that the San Francisco Planning Commission (hereinafter "Commission") hereby CERTIFIES the Final Environmental Impact Report identified as Case No. 2005.0161E, Calaveras Dam Replacement Project and Project Variant (hereinafter, "Project"), located in unincorporated areas of Alameda and Santa Clara Counties, based upon the following findings:

1. The City and County of San Francisco, acting through the Planning Department (hereinafter "Department") fulfilled all procedural requirements of the California Environmental Quality Act (Cal. Pub. Res. Code Section 21000 *et seq.*, hereinafter "CEQA"), the State CEQA Guidelines (Cal. Admin. Code Title 14, Section 15000 *et seq.*, hereinafter "CEQA Guidelines") and Chapter 31 of the San Francisco Administrative Code (hereinafter "Chapter 31").
  - A. The Department determined that an Environmental Impact Report (hereinafter "EIR") was required and in accordance with 15082 of the CEQA Guidelines, the Department prepared a Notice of Preparation (NOP) of an EIR and conducted a scoping meeting (see Draft EIR, Appendix A). The NOP was circulated to local, state, and federal agencies and to other interested parties on October 26, 2005, initiating a public comment period that extended through November 30, 2005. Pursuant to CEQA Guidelines Section 15083, the Department held two public scoping meetings, one in Fremont on November 14, 2005 and one in San Francisco on November 15, 2005. The purpose of the meeting was to present the

proposed Project to the public and receive public input regarding the proposed scope of the EIR analysis. A scoping report was prepared to summarize the public scoping process and the comments received in response to the NOP, and the report is included in Appendix A of the Draft EIR.

- B. On October 6, 2009, the Department published the Draft Environmental Impact Report (hereinafter "DEIR") and provided public notice in a newspaper of general circulation of the availability of the DEIR for public review and comment and of the date and time of the Planning Commission public hearing on the DEIR; this notice was mailed to the Department's list of persons requesting such notice and other interested parties.
  - C. Notices of availability of the DEIR and of the date and time of the public hearings were posted near the project site by Department staff on October 6, 2009. The Notice of Availability was also made available at public libraries in San Francisco and Fremont.
  - D. On October 6, 2009, copies of the DEIR were mailed or otherwise delivered to a list of persons requesting it, to those noted on the distribution list in the DEIR, to adjacent property owners, and to government agencies, the latter both directly and through the State Clearinghouse. The DEIR was posted on the Department's website.
  - E. Notice of Completion was filed with the State Secretary of Resources via the State Clearinghouse on October 6, 2009.
2. Three duly-advertised public hearings on the DEIR to accept written or oral comments were held; one hearing was held in Fremont on November 10, 2009, a second hearing was held in San Francisco on November 12, 2009, and a third hearing was held in Sunol on December 14, 2009. The Planning Commission acknowledges and endorses the supplemental public hearings that the Environmental Review Officer's delegate conducted in Fremont and Sunol in order to allow potentially affected members of the public to present oral comments at a convenient location. The public hearing transcripts are in the Project record. The period for acceptance of written comments ended on December 21, 2009.
  3. The Department prepared responses to comments on environmental issues received at the public hearings and in writing during the 77-day public review period for the DEIR, prepared revisions to the text of the DEIR in response to comments received or based on additional information that became available during the public review period, and corrected errors in the DEIR. This material was presented in a Draft Comments and Responses document (hereinafter "C&R"), published on January 5, 2011, distributed to the Commission and all parties who commented on the DEIR, and made available to others upon request at the Department and on the Department's website.

4. A Final Environmental Impact Report (FEIR) has been prepared by the Department, consisting of the Draft Environmental Impact Report, any consultations and comments received during the review process, any additional information that became available, and the C&R document all as required by law.
5. The San Francisco Public Utilities Commission, the Project Sponsor, has indicated that the presently preferred project is the Calaveras Dam Replacement Project Variant, which is described and analyzed in the C&R document.
6. This FEIR tiers from the Water System Improvement Program (hereinafter "WSIP") Program Environmental Impact Report (hereinafter "PEIR") and incorporates by reference the relevant analysis of the PEIR with respect to the WSIP's impacts and mitigation measures as applicable to this Project. The Commission certified the PEIR on October 30, 2008 and the SFPUC approved the WSIP on the same day. The State Clearinghouse number for the PEIR is 2005092026.
7. Project files on the FEIR have been made available for review by the Commission and the public. These files, as well as files for the PEIR, are available for public review at the Department at 1650 Mission Street, and are part of the record before the Commission. Linda Avery is the custodian of the records. Copies of the PEIR, DEIR, and associated reference materials, as well as the C&R document are also available for review at public libraries in San Francisco, Alameda and Santa Clara Counties as well as on the Department's website.
8. The Commission, in certifying the completion of said FEIR, hereby does find that the Project described in the EIR, will have project-specific significant effects on the environment that could not be mitigated to a less than significant level with implementation of mitigation measures:
  - Significant and unavoidable visual impacts during project construction due to visibility of construction activities from the Sunol Regional Wilderness.
  - Significant and unavoidable long term visual impacts due to site disturbance from the excavation of Observation Hill and Hill 1000, the benching of the slopes of Observation Hill and Hill 1000 after excavation, long periods without oak woodland where restoration is possible and the inability to restore oak woodlands to benched areas would extend beyond the construction phase and would be considered a long-term visual impact of the project.
  - Significant and unavoidable impacts related to traffic hazards during construction if Alameda County does not permit the temporary closure of the portion of Calaveras Road from Geary Road to the dam site.
  - Significant and unavoidable air quality impacts during project construction because even with implementation of existing and feasible mitigation strategies, the project's worst-case construction-related emissions of ROG and NO<sub>x</sub> cannot be reduced below the adopted 2010 BAAQMD thresholds of significance. At this time, no

feasible mitigation exists that would reduce emissions of ROG and NO<sub>x</sub> below the adopted BAAQMD thresholds. Therefore, construction-related emissions of ROG and NO<sub>x</sub> would have potentially significant and unavoidable impacts on air quality.

- Significant and unavoidable noise impacts would result from construction-equipment backup beepers during the nighttime hours could be noticeable at residential receptors located near Borrow Area E, and could result in sleep interference effects, which would be a potentially significant impact. Even with mitigation, back-up beepers could exceed ordinance limits and the 50-dBA sleep interference criterion during the nighttime hours on a regular basis for a substantial portion of the 4-year construction period, which would be a significant and unavoidable impact. Mitigated construction noise from other sources could, at times, still be noticeable to some of the closest noise-sensitive receptors during the nighttime hours because ambient noise levels are lower in some areas around Borrow Area E than noise ordinance limits and the 50-dBA sleep interference criterion. Mitigation would reduce construction noise to ordinance limits and below the sleep interference criterion, but would not reduce noise to ambient noise levels. In addition, the closest residential receptors could still be subject to noise disturbances, from peak noise events such as back-up beepers. Therefore, this impact is potentially significant and unavoidable.
- Significant and unavoidable cumulative air quality impacts would result from construction-related emissions of ROG and NO<sub>x</sub> when evaluated under the June 2010 BAAQMD CEQA Guidelines.

In addition, because the project is a component of the WSIP, the project would contribute to the following significant and unavoidable effects on the environment identified in the WSIP PEIR:

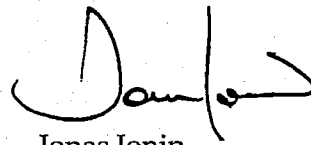
- The Program would indirectly contribute to potentially significant and unavoidable impacts caused by growth in the San Francisco Public Utilities Commission service area, as identified in the planning documents and associated environmental documents for the affected jurisdictions.

In addition, based on the best available information at the time, the WSIP PEIR made a conservative determination that the proposed water supply and system operations would result in a potentially significant and unavoidable impacts in the Peninsula watershed on fishery resources in the Crystal Spring Reservoir on stream flow in Alameda Creek between the diversion dam and the confluence with Calaveras Creek and in San Mateo County. The project specific analysis in the Project FEIRs for the Calaveras Dam Replacement Project and the Lower Crystal Springs Dam Improvements Project included updated and site-specific information that was developed following certification of the PEIR, and conclude these impacts to be less than significant.

9. On January 27, 2011, the Commission reviewed and considered the FEIR and hereby does find that the contents of said report and the procedures through which the FEIR was prepared, publicized, and reviewed comply with the provisions of CEQA, the CEQA Guidelines, and Chapter 31 of the San Francisco Administrative Code.

10. The Planning Commission hereby does find that the Final Environmental Impact Report concerning File No. 2005.0161E, Calaveras Dam Replacement Project, 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 DEIR, and hereby does CERTIFY THE COMPLETION of said Final Environmental Impact Report in compliance with CEQA and the CEQA Guidelines.

I hereby certify that the foregoing Motion was ADOPTED by the Planning Commission at its regular meeting of January 27, 2011.



Jonas Ionin  
Acting Commission Secretary

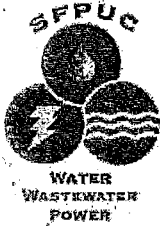
AYES: Antonini, Borden, Fong, Miguel, Moore, Olague, Sugaya

NOES: None

ABSENT: None

ACTION: January 27, 2011: Certification of the Final Environmental Impact Report for the proposed Calaveras Dam Replacement Project





**AGENDA ITEM**  
**Public Utilities Commission**  
*City and County of San Francisco*



DEPARTMENT Infrastructure Division

AGENDA NO. 14

MEETING DATE January 27, 2011

**Approve Project: Regular Calendar**  
**Program Director: Julie Labonte**

**Project No. CUW37401, Approve Project, Calaveras Dam Replacement**

<p><b>Summary of Proposed Commission Action:</b></p>	<p><b>Approve Water Enterprise, Water System Improvement Program (WSIP) Project No. CUW37401, Calaveras Dam Replacement Project Variant (CDRP Variant or the Project); <b>adopt</b> the required California Environmental Quality Act (CEQA) Findings, including a Statement of Overriding Considerations, and the Mitigation Monitoring and Reporting Program (MMRP); and <b>authorize</b> 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:</b></p> <p>a. Obtain from Alameda County, California Department of Transportation (Caltrans), City of Milpitas, and Santa Clara County, as necessary, encroachment permits, consents, or other permits for temporary construction activities.</p> <p>b. 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 watershed lands or rights-of-way, any new or amended easements, leases, permits, licenses, encroachment-removals or other project related agreements, if necessary for the Project.</p> <p>c. 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 &amp; Wildlife Service, National Marine Fisheries Service, California Department of Fish and</p>
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**APPROVAL:**

DEPARTMENT /  
BUREAU

*Hal Stein*

FINANCE

Todd L. Rydstrom

COMMISSION  
SECRETARY

Mike Housh

GENERAL  
MANAGER

Ed Harrington

	<p>Game, San Francisco Regional Water Quality Control Board, Bay Area Air Quality Management District, California Department of Water Resources - Division of Safety of Dams, California Department of Transportation, California Department of Industrial Relations - Division of Occupational Safety and Health, and California Emergency Management Agency.</p> <p>d. 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.</p> <p>e. Negotiate and execute any construction agreements or Memoranda of Agreement (MOA) with Alameda and Santa Clara Counties related to traffic control, use of county roadways, public safety and general coordination of Project construction activities.</p> <p>f. Negotiate and execute an agreement with Pacific Gas and Electric Company to perform necessary upgrades to an existing electrical distribution line in order to provide temporary power during construction to the project site, and obtain consent from, or agreements with, other entities using that distribution line, if necessary, at a cost not to exceed \$2.5 million.</p> <p>g. Negotiate and execute an agreement(s) with East Bay Regional Park District (EBRPD) to address coordination of the parties' respective operations, and address issues related to construction of the Calaveras Dam Replacement Project, subject to any required approval by the Board of Supervisors.</p> <p>Notwithstanding the authority granted to the General Manager by this Resolution, the General Manager is not authorized to dispose of any real property, in any manner, including by sale, trade or transfer, without approval by the SFPUC pursuant to Charter Section 8B124.</p> <p>Implementation actions will include advertising for construction bids for the project and for compensatory mitigation habitat. However, the Commission will confirm award of the construction contract(s) at a future date.</p>
<p><b>Background:</b></p>	<p>Calaveras Dam and Reservoir are important components of the SFPUC regional water system. Completed in 1925, Calaveras Dam allows for storage of approximately 96,850 acre-feet (AF) (31 billion gallons) of local watershed runoff in the Alameda Creek watershed. At this level of storage, Calaveras Reservoir is the largest of the SFPUC's local reservoirs. In 2001, the SFPUC lowered water levels in the reservoir in response to safety concerns about the seismic stability of the dam and a mandate from the California Department of Water Resources, Division of Safety of Dams (DSOD). The elevation of the lowered water level corresponds to about 38,100 AF of storage. In accordance with DSOD direction, the SFPUC is proposing to</p>



rebuild the dam in order to eliminate the seismic safety concerns associated with the original dam.

The overall purpose of the proposed project is to replace the existing dam with a new dam to accommodate a public water supply reservoir of the same size as the original plans (96,850 AF) and meet current seismic safety design requirements. When the proposed replacement dam is completed, DSOD restrictions would be lifted and the original reservoir pool would be restored.

Completion of the proposed project would help the SFPUC achieve the WSIP Level of Service goals and objectives adopted by the SFPUC in Resolution No. 08-200. Replacing Calaveras Dam and re-establishing the reservoir pool to its pre-DSOD restricted level would restore the facility's role within the SFPUC regional water system with respect to delivery reliability and water supply during planned and unplanned interruptions of the SFPUC's regional water system and during periods of drought, as well as enhance seismic safety, reliability, and water quality.

The objectives for the Project are as follows:

*Primary Objectives*

- Re-establish water delivery reliability;
- Restore water supply and the capacity of the reservoir to its pre-2001 restriction level of 96,850 AF using water from the Alameda Creek watershed, thereby restoring 7 million gallons per day (mgd) of water supply during the 8.5-year design drought (the SFPUC's drought planning scenario);
- Improve seismic reliability through construction of a replacement dam designed to safely retain 96,850 AF of water and withstand the maximum credible earthquake (7.25 moment magnitude) on the Calaveras fault; and
- Construct a new dam with a robust design (wide centrally-located clay core, wide filters, and internal drainage) that could accommodate potential enlargement by future generations.

*Secondary Objectives*

- Continue reservoir and outlet works operation, to the extent possible, during construction; and
- Maintain high water quality, re-creating a deeper pool that would keep water temperatures cooler to limit algal growth in the reservoir.

In order to address seismic safety concerns and support WSIP goals and objectives, the Project involves construction of a replacement dam at a location downstream and adjacent to the existing dam. The

Project, referred to as the "CDRP Variant" in the CDRP Final Environmental Impact Report (EIR) Comments and Responses document, includes additional design refinements and fisheries enhancements that were incorporated subsequent to the publication of the Draft EIR. The CDRP Variant includes the following key project components:

1. Construct a new earth and rockfill dam with a robust design that could accommodate potential enlargement by future generations, and modify the existing dam to accommodate the construction and operation of the new replacement dam;
2. Remove the existing spillway and construct an ungated spillway with a concrete-lined channel and a new stilling basin;
3. Remove the existing intake tower, plug the shaft, and construct a new intake tower and shaft connecting to an existing drain and three water inlet adits;
4. Extend the outlet pipe connecting to a relocated, fixed cone valve, and install new low-flow discharge valves to facilitate instream flow releases;
5. Install instrumentation such as piezometers, inclinometers, settlement monuments, seepage weirs, and accelerometers to measure strong ground motions during earthquakes;
6. Stabilize the right abutment landslide;
7. Upgrade the electrical distribution line to the site; and
8. Construct facilities and operate for fishery enhancement, including the installation of screens at the Alameda Creek Diversion Tunnel and Calaveras Dam Adits 1 and 2; the construction of a fish ladder around Alameda Creek Diversion Dam (ACDD) and a flow bypass tunnel through ACDD; and the provision of instream flow releases from Calaveras Dam and ACDD and adaptive management for Central California Coast Steelhead.

To comply with anticipated permit requirements of the National Marine Fisheries Service and the California Department of Fish and Game, the SFPUC has developed a minimum water release schedule for flow releases from Calaveras Dam and bypass of flow from ACDD (noted above) to Calaveras Creek and Alameda Creek, respectively, to enhance habitat for native fish as part of the long term operation of the Project.

As a result of the Project proposed fishery flows, and in combination with SFPUC proposed fishery flows at San Mateo Creek, the SFPUC

	<p>may not be able to meet the adopted WSIP water supply reliability objectives between 2013 and 2018 without a reduction in demand, demand management, increased rationing and/or use of a supplemental water supply. These options are discussed in the SFPUC memorandum dated August 10, 2010, and included in the files for this Project. The effects of this possible change in water supply are also discussed in the Comments and Responses document, Chapter 9 - Project Variant.</p>
<p><b>Result of Inaction:</b></p>	<p>The SFPUC would not be able to proceed with plans to implement the Project, and in this scenario DSOD has indicated it would need to identify a further reduced maximum allowable resource level and require SFPUC to modify the existing dam in order to build a new spillway at the new permanent maximum safe storage elevation. This would restrict the SFPUC's ability to meet WSIP goals and objectives including delivery reliability, water supply reliability, and the seismic reliability of the regional water system.</p>
<p><b>Description of Project Action:</b></p>	<p>1. In order to move forward with the Project, the Commission must review and consider the certified Final EIR (consisting of the Draft EIR and Comments and Responses document), and adopt the Project CEQA Findings, including the Statement of Overriding Considerations, and the MMRP. The Final EIR was provided to each member of the Commission. The Final EIR was prepared by the San Francisco Planning Department.</p> <p>The Final EIR identified and analyzed Project-specific significant impacts and found potentially significant impacts within the resource areas of recreation; vegetation and wildlife; fisheries and aquatic habitat; water quality; geology, soils, and seismicity; hazardous materials; cultural resources; transportation; visual resources; transportation and circulation; air quality; noise; energy resources; 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 potentially significant and unavoidable impacts caused by the Project and identified in the Final EIR. These potentially significant and unavoidable impacts include:</p> <ul style="list-style-type: none"> <li>• The temporary impact of construction activities on scenic vistas, scenic resources, and visual character when viewed from the Sunol Wilderness;</li> <li>• The long term impact of site disturbance on scenic vistas, scenic resources, and visual character when viewed from the Sunol Wilderness;</li> <li>• The increased potential for traffic safety hazards for vehicles and bicyclists on public roadways during construction;</li> <li>• The project-specific and cumulative air quality impacts from construction emissions of criteria pollutants; and</li> </ul>

- The disturbance from temporary construction-related noise increases.

In addition, the Project is a component of the WSIP and will potentially contribute to a significant and unavoidable water supply cumulative impact of indirect growth inducement in the SFPUC service area.

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, respectively, 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 and obtaining necessary agreements and permits. Staff will seek Commission approval to award construction contract(s) at a future date.

3. The Project will involve work in Alameda and Santa Clara Counties. The Project may require that the SFPUC seek permits, consents and/or other agreements from Caltrans, City of Milpitas, and Alameda and Santa Clara Counties for various necessary encroachment permits or other permits for temporary construction activities in or around local roadways, including permission to temporarily close Calaveras Road during construction. These permits shall be consistent with SFPUC existing fee or easement interests, where applicable. In addition, the Project may require that SFPUC negotiate MOAs with Alameda and Santa Clara Counties and City of Milpitas addressing construction coordination and reimbursement agreements. To the extent that the terms and conditions of the required permits or instruments will require SFPUC to indemnify other parties, those indemnity obligations are subject to review and approval by the San Francisco Risk Manager. 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 watershed lands in the vicinity of where the Project work will occur, the SFPUC has issued easements, leases, permits, or licenses to certain parties to use watershed lands 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 watershed lands 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 watershed lands, 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. 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 Department of Water Resources - Division of Safety of Dams, Bay Area Air Quality Management District, California Department of Transportation, California Department of Industrial Relations - Division of Occupational Safety and Health, and California Emergency Management Agency (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. In order to obtain permits required to construct 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; (3) repair and replacement of such habitats if necessary during the performance period; and (4) management and monitoring of the compensatory mitigation habitat projects in perpetuity in accordance with individual project mitigation and monitoring plans and long term management plans.

6. Implementation of the compensatory mitigation habitat measures will involve sites developed in consultation with certain state and federal regulatory agencies. Those sites are identified in Attachment A to the Commission's resolution. 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 the five sites identified in the Final EIR and identified in Attachment A to the Commission's Resolution: (1) South Calaveras, (2) San Antonio, (3) Sage Canyon, (4) Goat Rock, and (5) Koopmann Road. These sites were selected and designed using the conservation principles required by the WSIP Programmatic Environmental Impact Report (PEIR) and subsequent SFPUC adoption of the MMRP for the WSIP, which prescribes 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<sup>446</sup> and appropriate for the SFPUC to implement compensatory mitigation habitat improvements at these sites to

	<p>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 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.</p> <p>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 five mitigation sites: (i) request the Board of Supervisors to adopt the Project's CEQA Findings, MMRP, and Statement of Overriding Considerations in connection with funds for the five mitigation sites, (ii) authorize the General Manager to implement mitigation of the habitat mitigation sites in full, as necessary or advisable to implement the Project, and (iii) advertise construction contracts for the mitigation sites subject to Commission review and approval prior to award at a future date.</p> <p>9. The Resolution authorizes the General Manager to negotiate and execute an agreement with Pacific Gas and Electric Company to perform necessary upgrades to an existing electrical distribution line in order to provide appropriate construction power to the project site, and obtain consent from, or agreements with, other entities using that distribution line, if necessary, at a cost not to exceed \$2.5 million. These upgrades are necessary to provide construction power for contractor's stationary equipment and facilities, including but not limited to concrete batch plant, portable water treatment facilities, construction trailers, lighting, and other miscellaneous facilities.</p> <p>10. The Resolution authorizes the General Manager to negotiate and execute an agreement(s) with EBRPD to address coordination of the parties' respective operations, and address issues related to construction of the Calaveras Dam Replacement Project, subject to any required approval by the Board of Supervisors.</p>
<p><b>Environmental Review:</b></p>	<p>The San Francisco Planning Commission certified a Final EIR for Project No. CUW35401, on January 27, 2011.</p>
<p><b>Recommendation:</b></p>	<p>SFPUC staff recommends that the Commission adopt the attached resolution.</p>

**Project No:** CUW37401, Calaveras Dam Replacement Project  
**Commission Meeting Date:** January 27, 2011

<b>Attachments:</b>	<ol style="list-style-type: none"><li>1. SFPUC Resolution</li><li>2. Attachment A: CEQA Findings</li><li>3. Attachment B: Mitigation Monitoring and Reporting Program</li></ol>
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## PUBLIC UTILITIES COMMISSION

City and County of San Francisco

RESOLUTION NO. \_\_\_\_\_

WHEREAS, San Francisco Public Utilities Commission (SFPUC) staff has 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. CUW37401, Calaveras Dam Replacement Project (CDRP); and

WHEREAS, SFPUC staff have developed additional design refinements and fisheries enhancements subsequent to the publication of the Draft Environmental Impact Report (EIR) that are described as the CDRP Variant in the Comments and Responses document, included in the Final EIR; and

WHEREAS, By this resolution, the SFPUC intends to approve the CDRP Variant and, therefore, the CDRP Variant is referred to herein as the Project; and

WHEREAS, The objectives of the Project are to:

- Re-establish water delivery reliability;
- Restore water supply and the capacity of the reservoir to its pre-2001 restriction level of 96,850 AF using water from the Alameda Creek watershed, thereby restoring 7 million gallons per day (mgd) of water supply during the 8.5-year design drought (the SFPUC's drought planning scenario);
- Improve seismic reliability through construction of a replacement dam designed to safely retain 96,850 AF of water and withstand the maximum credible earthquake (7.25 moment magnitude) on the Calaveras fault; and
- Construct a new dam with a robust design (wide centrally-located clay core, wide filters, and internal drainage) that could accommodate potential enlargement by future generations.
- Continue reservoir and outlet works operation, to the extent possible, during construction; and
- Maintain high water quality, re-creating a deeper pool that would keep water temperatures cooler to limit algal growth in the reservoir.

WHEREAS, On January 27, 2011, the Planning Commission reviewed and considered the Final EIR on the Project in Planning Department File No. 2005.0161E, consisting of the Draft EIR and the Comments and Responses document, and found that the contents of said report and the procedures through which the Final EIR 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 Final EIR 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 pursuant to CEQA, and certified the completion of said Final EIR in compliance with CEQA and the CEQA Guidelines in its Motion No. \_\_\_\_\_; and

WHEREAS, This Commission has reviewed and considered the information contained in the Final EIR, 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 Final EIR; and

WHEREAS, The Project and Final EIR files have been made available for review by the SFPUC and the public in File No. 2005.0161E, 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 WSIP; and

WHEREAS, A Final Programmatic 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 Final EIR prepared for the Project is tiered from the WSIP PEIR, as authorized by and in accordance with CEQA; and

WHEREAS, The WSIP 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 Alameda County and Santa Clara County, and SFPUC staff may seek to enter into encroachment permits, consents, or other property agreements for Project construction, including Memoranda of Agreement(s) (MOAs) and reimbursement agreements related to construction coordination, and the possible temporary closure of Calaveras Road; and

WHEREAS, The Project may require the SFPUC General Manager to obtain various necessary permits, consents, and encroachment permits from Alameda County, California Department of Transportation (Caltrans), City of Milpitas, and Santa Clara County, and those permits shall be consistent with SFPUC existing fee or easement interests, where applicable; and

WHEREAS, The SFPUC has issued easements, leases, permits, or licenses to certain parties to use for various purposes portions of City-owned watershed lands in the vicinity of 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 SFPUC's watershed lands; 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, or to implement Project mitigation measures or accommodate Project construction activities and schedule; and

WHEREAS, The Project requires an agreement with Pacific Gas and Electric Company to perform necessary upgrades to an existing electrical distribution line in order to provide appropriate construction power to the project site for the contractor's stationary equipment and facilities, including but not limited to concrete batch plant, portable water treatment facilities, construction trailers, lighting, and other miscellaneous facilities, which may require consent from, or agreements with, other entities using that distribution line; and

WHEREAS, The SFPUC staff and East Bay Regional Park District (EBRPD) staff have met to coordinate with respect to WSIP activities in the Sunol Region, including the Project, and have identified various issues related to the Project construction activities and other matters of mutual interest, that would be addressed in agreements between the SFPUC and EBRPD; and

WHEREAS, Implementation of the Project will involve consultation with, or obtaining 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 Department of Water Resources - Division of Safety of Dams, San Francisco Bay Regional Water Quality Control Board, Bay Area Air Quality Management District, California Department of Industrial Relations - Division of Occupational Safety and Health and California Emergency Management Agency; 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 following sites: South Calaveras, San Antonio, Sage Canyon, Goat Rock, and Koopmann Road (collectively, Habitat Compensation Sites), identified in Attachment A to this Resolution; and

WHEREAS, If the SFPUC Commission approves the Project and resource agencies issue final permits for the Project, including full implementation of the compensatory mitigation at the Habitat Compensation Sites, 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; and

WHEREAS, The Habitat Compensation Sites address the conservation principles required by the WSIP 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 each individual site is required; and

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 Habitat 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; and

WHEREAS, As a result of the Project implementing minimum release schedules for the proposed fishery flows, in combination with proposed fishery flows in San Mateo Creek, the SFPUC may not be able to meet the adopted WSIP water supply objectives between 2013 and 2018 without a reduction in demand, demand management, increased rationing and/or a supplemental water supply. The minimum release schedule and water supply issues are discussed in the SFPUC memorandum dated August 10, 2010, and included in the files for this Project. The effects of this possible change in water supply are also discussed in the Comments and Responses document, Chapter 9 - Project Variant; and

WHEREAS, the Commission by Resolution 10-0175 in October 2010 directed staff to continue monitoring water supply and demand to determine whether the Commission should

consider additional water supply strategies to meet demand up to 2018; provide to the Commission for its consideration the Interim Supply Allocation in accordance with the Water Supply Agreement Between the City and County of San Francisco and Wholesale Customers; and provide information by March 31, 2011 on how the SFPUC has the capability to attain its water supply levels of service and contractual obligations; now, therefore, be it

RESOLVED, This Commission has reviewed and considered the Final EIR, finds that the Final EIR 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 the Project, also known as Project No. CUW37401, Calaveras Dam Replacement 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 construction contract(s); and be it

FURTHER RESOLVED, That this Commission specifically authorizes implementation of minimum water release schedules for fisheries releases, as expected to be required as part of the regulatory approvals for this Project and as analyzed in the Final EIR, provided that this authorization shall not limit the General Manager's authority under this resolution to negotiate, accept, and execute permits or required approvals by state and federal regulatory agencies in order to implement this Project; and be it

FURTHER RESOLVED, That this Commission directs staff to continue monitoring water supply and demand to determine whether the Commission should consider additional water supply strategies to meet demand up to 2018; and be it

FURTHER RESOLVED, That this Commission does not authorize the General Manager to deviate from water supply levels of service adopted as part of the Phased WSIP, and SFPUC staff shall confer with the Commission if conditions necessitate consideration of additional water supply reliability strategies prior to 2018; 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. 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 Alameda County, Caltrans, City of Milpitas, and Santa Clara County, which shall be consistent with SFPUC's existing fee or easement interests, where applicable. To the extent that the terms and conditions of the permits or agreements 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's watershed lands, 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 exercise any right as necessary to negotiate and execute new or amended MOAs, or financial reimbursement arrangements, if necessary for the Project and subject to any applicable approvals, 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 consult with, or apply for; and, if necessary, seek Board of Supervisors' approval, and if approved, to accept and execute permits or required approvals, and to execute such other agreements as may be necessary to implement terms and conditions or otherwise comply with the requirements imposed 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 Department of Water Resources - Division of Safety of Dams, San Francisco Bay Regional Water Quality Control Board, Bay Area Air Quality Management District, California Department of Industrial Relations - Division of Occupational Safety and Health, and California Emergency Management Agency, 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 individual Habitat Compensation Sites if any 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 accept and execute the real property agreements authorized herein, subject to obtaining Board approval, if required; and be it

FURTHER RESOLVED, That this Commission authorizes the General Manager to negotiate and execute an agreement with Pacific Gas and Electric Company to perform necessary upgrades to an existing electrical distribution line in order to provide temporary power during construction to the project site, and to obtain consent from, or execute agreements with, other entities using that distribution line, if necessary, at a cost not to exceed \$2.5 million; and be it

FURTHER RESOLVED, That this Commission authorizes the General Manager to negotiate and execute agreements with EBRPD to address coordination of the parties' respective operations, and address issues related to construction of the CDRP, subject to approval of the Board of Supervisors, if required, 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 enter into any subsequent additions, amendments, or other modifications to the permits, licenses, encroachment removal agreements, leases, easements, and other Use Instruments, 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* \_\_\_\_\_ *January 27, 2011*

\_\_\_\_\_  
*Secretary, Public Utilities Commission*



## PUBLIC UTILITIES COMMISSION

City and County of San Francisco

RESOLUTION NO. 11-0015

WHEREAS, San Francisco Public Utilities Commission (SFPUC) staff has 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. CUW37401, Calaveras Dam Replacement Project (CDRP); and

WHEREAS, SFPUC staff have developed additional design refinements and fisheries enhancements subsequent to the publication of the Draft Environmental Impact Report (EIR) that are described as the CDRP Variant in the Comments and Responses document, included in the Final EIR; and

WHEREAS, By this resolution, the SFPUC intends to approve the CDRP Variant and, therefore, the CDRP Variant is referred to herein as the Project; and

WHEREAS, The objectives of the Project are to:

- Re-establish water delivery reliability;
- Restore water supply and the capacity of the reservoir to its pre-2001 restriction level of 96,850 AF using water from the Alameda Creek watershed, thereby restoring 7 million gallons per day (mgd) of water supply during the 8.5-year design drought (the SFPUC's drought planning scenario);
- Improve seismic reliability through construction of a replacement dam designed to safely retain 96,850 AF of water and withstand the maximum credible earthquake (7.25 moment magnitude) on the Calaveras fault; and
- Construct a new dam with a robust design (wide centrally-located clay core, wide filters, and internal drainage) that could accommodate potential enlargement by future generations.
- Continue reservoir and outlet works operation, to the extent possible, during construction; and
- Maintain high water quality, re-creating a deeper pool that would keep water temperatures cooler to limit algal growth in the reservoir.

WHEREAS, On January 27, 2011, the Planning Commission reviewed and considered the Final EIR on the Project in Planning Department File No. 2005.0161E, consisting of the Draft EIR and the Comments and Responses document, and found that the contents of said report and the procedures through which the Final EIR 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 Final EIR 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 pursuant to CEQA, and certified the completion of said Final EIR in compliance with CEQA and the CEQA Guidelines in its Motion No. M-18261; and

WHEREAS, This Commission has reviewed and considered the information contained in the Final EIR, 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 Final EIR; and

WHEREAS, The Project and Final EIR files have been made available for review by the SFPUC and the public in File No. 2005.0161E, 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 WSIP; and

WHEREAS, A Final Programmatic 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 Final EIR prepared for the Project is tiered from the WSIP PEIR, as authorized by and in accordance with CEQA; and

WHEREAS, The WSIP 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 Alameda County and Santa Clara County, and SFPUC staff may seek to enter into encroachment permits, consents, or other property agreements for Project construction, including Memoranda of Agreement(s) (MOAs) and reimbursement agreements related to construction coordination, and the possible temporary closure of Calayeras Road; and

WHEREAS, The Project may require the SFPUC General Manager to obtain various necessary permits, consents, and encroachment permits from Alameda County, California Department of Transportation (Caltrans), City of Milpitas, and Santa Clara County, and those permits shall be consistent with SFPUC existing fee or easement interests, where applicable; and

WHEREAS, The SFPUC has issued easements, leases, permits, or licenses to certain parties to use for various purposes portions of City-owned watershed lands in the vicinity of 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 SFPUC's watershed lands, 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, or to implement Project mitigation measures or accommodate Project construction activities and schedule; and

WHEREAS, The Project requires an agreement with Pacific Gas and Electric Company to perform necessary upgrades to an existing electrical distribution line in order to provide appropriate construction power to the project site for the contractor's stationary equipment and facilities, including but not limited to concrete batch plant, portable water treatment facilities, construction trailers, lighting, and other miscellaneous facilities, which may require consent from, or agreements with, other entities using that distribution line; and

WHEREAS, The SFPUC staff and East Bay Regional Park District (EBRPD) staff have met to coordinate with respect to WSIP activities in the Sunol Region, including the Project, and have identified various issues related to the Project construction activities and other matters of mutual interest, that would be addressed in agreements between the SFPUC and EBRPD; and

WHEREAS, Implementation of the Project will involve consultation with, or obtaining 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 Department of Water Resources - Division of Safety of Dams, San Francisco Bay Regional Water Quality Control Board, Bay Area Air Quality Management District, California Department of Industrial Relations - Division of Occupational Safety and Health and California Emergency Management Agency; 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 following sites: South Calaveras, San Antonio, Sage Canyon, Goat Rock, and Koopmann Road (collectively, Habitat Compensation Sites), identified in Attachment A to this Resolution; and

WHEREAS, If the SFPUC Commission approves the Project and resource agencies issue final permits for the Project, including full implementation of the compensatory mitigation at the Habitat Compensation Sites, 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; and

WHEREAS, The Habitat Compensation Sites address the conservation principles required by the WSIP 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 each individual site is required; and

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 Habitat 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; and

WHEREAS, As a result of the Project implementing minimum release schedules for the proposed fishery flows, in combination with proposed fishery flows in San Mateo Creek, the SFPUC may not be able to meet the adopted WSIP water supply objectives between 2013 and 2018 without a reduction in demand, demand management, increased rationing and/or a supplemental water supply. The minimum release schedule and water supply issues are discussed in the SFPUC memorandum dated August 10, 2010, and included in the files for this Project. The effects of this possible change in water supply are also discussed in the Comments and Responses document, Chapter 9 - Project Variant; and

WHEREAS, the Commission by Resolution 10-0175 in October 2010 directed staff to continue monitoring water supply and demand to determine whether the Commission should

consider additional water supply strategies to meet demand up to 2018; provide to the Commission for its consideration the Interim Supply Allocation in accordance with the Water Supply Agreement Between the City and County of San Francisco and Wholesale Customers; and provide information by March 31, 2011 on how the SFPUC has the capability to attain its water supply levels of service and contractual obligations; now, therefore, be it

RESOLVED, This Commission has reviewed and considered the Final EIR, finds that the Final EIR 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 the Project, also known as Project No. CUW37401, Calaveras Dam Replacement 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 construction contract(s); and be it

FURTHER RESOLVED, That this Commission specifically authorizes implementation of minimum water release schedules for fisheries releases, as expected to be required as part of the regulatory approvals for this Project and as analyzed in the Final EIR, provided that this authorization shall not limit the General Manager's authority under this resolution to negotiate, accept, and execute permits or required approvals by state and federal regulatory agencies in order to implement this Project; and be it

FURTHER RESOLVED, That this Commission directs staff to continue monitoring water supply and demand to determine whether the Commission should consider additional water supply strategies to meet demand up to 2018; and be it

FURTHER RESOLVED, That this Commission does not authorize the General Manager to deviate from water supply levels of service adopted as part of the Phased WSIP, and SFPUC staff shall confer with the Commission if conditions necessitate consideration of additional water supply reliability strategies prior to 2018; 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. 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 Alameda County, Caltrans, City of Milpitas, and Santa Clara County, which shall be consistent with SFPUC's existing fee or easement interests, where applicable. To the extent that the terms and conditions of the permits or agreements 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's watershed lands, 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 exercise any right as necessary to negotiate and execute new or amended MOAs, or financial reimbursement arrangements, if necessary for the Project and subject to any applicable approvals, 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 consult with, or apply for, and, if necessary, seek Board of Supervisors' approval, and if approved, to accept and execute permits or required approvals, and to execute such other agreements as may be necessary to implement terms and conditions or otherwise comply with the requirements imposed 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 Department of Water Resources - Division of Safety of Dams, San Francisco Bay Regional Water Quality Control Board, Bay Area Air Quality Management District, California Department of Industrial Relations - Division of Occupational Safety and Health, and California Emergency Management Agency, 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 individual Habitat Compensation Sites if any 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

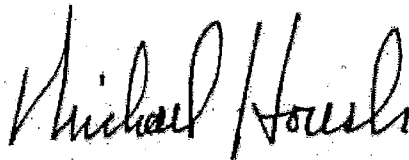
FURTHER RESOLVED, That this Commission authorizes the General Manager to work with the Director of Real Estate to accept and execute the real property agreements authorized herein, subject to obtaining Board approval, if required; and be it

FURTHER RESOLVED, That this Commission authorizes the General Manager to negotiate and execute an agreement with Pacific Gas and Electric Company to perform necessary upgrades to an existing electrical distribution line in order to provide temporary power during construction to the project site, and to obtain consent from, or execute agreements with, other entities using that distribution line, if necessary, at a cost not to exceed \$2.5 million; and be it

FURTHER RESOLVED, That this Commission authorizes the General Manager to negotiate and execute agreements with EBRPD to address coordination of the parties' respective operations, and address issues related to construction of the CDRP, subject to approval of the Board of Supervisors, if required, 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 enter into any subsequent additions, amendments, or other modifications to the permits, licenses, encroachment removal agreements, leases, easements, and other Use Instruments, 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* January 27, 2011



*Secretary, Public Utilities Commission*



Calaveras Dam Replacement Project  
Mitigation Monitoring and Reporting Program

Impact No.	Impact Summary	Mitigation Measure	Monitoring and Reporting Program			
			Implementation and Reporting Party	Monitoring and Reporting Party	Monitoring and Reporting Actions	Implementation Schedule
4.3 Land Use, Agricultural Resources, and Recreation	Impact of construction activities on established recreational uses in the vicinity of the proposed project site.	<p>5.3.6 AMGEN and Primavera Bicycling Tours The San Francisco Public Utilities Commission (SFPUC) shall coordinate with the organizers of the AMGEN Tour of California bicycle tour and the Fremont Freewheelers Bicycle Club Primavera bicycle tour to ensure that temporary road closures, haul truck traffic, and other activities related to project construction will not interfere with these tours. Construction activities may be temporarily suspended as needed to prevent conflicts with the AMGEN and Primavera bicycle tours.</p>	<p>1) SFPUC EMB 2) SFPUC Communications and CM team</p>	<p>1) SFPUC BEM 2) SFPUC BEM</p>	<p>1) Ensure that the contract documents include the requirement for temporary ceasing construction activities that may interfere with the tours. 2) Coordinate with the AMGEN and Primavera bicycle tours regarding road closures and construction traffic.</p>	<p>1) Design 2) Construction</p>
4.4 Vegetation and Wildlife	Effect of CORP on wetlands and other aquatic habitats.	<p>Also see Air Quality Mitigation Measures 5.9.2a, Transport/fallout and Circulation Mitigation Measure 5.12.4a, and Air Quality Mitigation Measure 5.13.1a.</p> <p>5.4.1 Avoidance and Minimization Measures The SFPUC and its contractors shall implement the following measures to avoid and minimize potential impacts of the proposed project on special status species and sensitive habitats. These measures apply to both on-site construction and off-site mitigation areas.</p> <p>5.4.1a Pre-Construction Measures Wetland Buffers. Except for those areas specifically identified in Table 4.4.9, Impacts of Construction on Wetlands and Other Waters of the State and United States, where impacts cannot be practicably avoided, a minimum 100-foot buffer surrounding all wetlands, ponds, streams, drainages, and other aquatic habitats located on or within 100 feet of the project site shall be clearly designated on the final project construction plans and marked on the site with orange construction fencing or silt fence. If the area is on a slope, silt fencing or other comparable management measures will be installed to prevent polluted runoff, as well as equipment, from entering (cont.) the buffer area. Signs shall be installed every 100 feet on or adjacent to the buffer fence that read: Environmentally Sensitive Area - Keep Out. Fencing and management measures shall be installed and inspected prior to initial project construction and maintained through the construction period. No equipment mobilization, grading, clearing, storage of equipment or machinery, vehicle or equipment washing, or similar activity, may occur until a representative of the SFPUC has inspected and approved the fencing and/or management measures installed around these features.</p> <p>Temporary Stream Crossings. The final project construction plans shall be designed to minimize the number of temporary stream crossings necessary for project site access and construction. Stream crossings shall be located to the maximum extent practicable in previously disturbed areas lacking riparian vegetation, pools, side ponds, or other sensitive habitat features.</p> <p>Worker Education Program. A worker education program shall be implemented to familiarize workers, including all vehicle operators, of the importance of avoidance of harm to special-status species and sensitive natural communities. The training shall include a discussion of the importance of maintaining speed limits, appropriate disposing of trash and waste materials, and respecting exclusion zones. The SFPUC and its construction contractor shall confirm that all workers have been trained appropriately.</p>	<p>1) SFPUC EMB 2) CM Team</p>	<p>1) SFPUC BEM 2) SFPUC BEM</p>	<p>1) Incorporate appropriate language into contract documents. 2) Monitor to ensure that contractor implements applicable measures in contract documents. Report non-compliance and ensure corrective action.</p>	<p>1) Design 2) Construction</p>

**ATTACHMENT A**

**CALAVERAS DAM REPLACEMENT PROJECT**

**CALIFORNIA ENVIRONMENTAL QUALITY ACT FINDINGS:  
FINDINGS OF FACT, EVALUATION OF MITIGATION MEASURES AND ALTERNATIVES,  
AND STATEMENT OF OVERRIDING CONSIDERATIONS**

**SAN FRANCISCO PUBLIC UTILITIES COMMISSION**

In determining to approve the Calaveras Dam Replacement Project ("CDRP" or "Project") described in Section I, Project Description below, the San Francisco Public Utilities Commission ("SFPUC" or "Commission") makes and adopts the following findings of fact and decisions regarding the Project description and objectives, significant impacts, mitigation measures and alternatives, and adopts the statement of overriding considerations, based on substantial evidence in the whole record of this proceeding and under the California Environmental Quality Act ("CEQA"), California Public Resources Code Sections 21000 et seq., particularly Sections 21081 and 21081.5, the Guidelines for Implementation of CEQA ("CEQA Guidelines"), 14 California Code of Regulations Sections 15000 et seq., particularly Sections 15091 through 15093, and Chapter 31 of the San Francisco Administrative Code. These findings comprise **Attachment A** to SFPUC Resolution No. 11-0015 ("SFPUC Approval Resolution"), dated January 27, 2011. The SFPUC adopts these findings as part of the SFPUC Approval Resolution and has incorporated these findings therein by reference.

This document is organized as follows:

**Section I** provides a description of the Project proposed for adoption (including components of the Project), the environmental review process for the Project, the approval actions to be taken, and the location of records;

**Section II** identifies the impacts found not to be significant that do not require mitigation;

**Section III** identifies potentially significant impacts that can be avoided or reduced to less-than-significant levels through mitigation and describes the disposition of the mitigation measures;

**Section IV** identifies significant impacts that cannot be avoided or reduced to less-than-significant levels and describes any applicable mitigation measures as well as the disposition of the mitigation measures;

**Section V** evaluates the different Project alternatives and the economic, legal, social, technological, and other considerations that support approval of the Project and the rejection of the alternatives or elements of the alternatives analyzed; and

**Section VI** presents a statement of overriding considerations setting forth specific reasons in support of the Commission's actions and its rejection of the alternatives not incorporated into the Project.

The Mitigation Monitoring and Reporting Program ("MMRP") containing the mitigation measures that have been proposed for adoption is attached as **Attachment B** to the SFPUC Approval Resolution. The MMRP is required by CEQA Section 21081.6 and CEQA Guidelines Section 15091. The MMRP provides a table setting forth each mitigation measure listed in the Final Environmental Impact Report for

Electronic copy of document located in  
in File No. 110187

Public Draft EIR  
October 6, 2009

Draft  
Environmental Impact Report  
Volume 1

San Francisco Public Utilities Commission

CALAVERAS  
REPLACEMENT PROJECT



San Francisco Planning Department File No. 2009-0115  
State Clearinghouse No. 200910402

Public Draft EIR Publication Date: October 6, 2009

Draft EIR Public Hearing Date:

November 10, 2009 in East San Francisco

November 12, 2009 in San Francisco

Draft EIR Public Comment Period: October 6, 2009 through November 26, 2009

City and County of San Francisco  
San Francisco Planning Department

