

1 [Accept and Expend Grant - Intertie Project - \$1,098,202]

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3 **Resolution authorizing the San Francisco Public Utilities Commission to retroactively**
4 **accept and expend a California Department of Public Health administered grant in the**
5 **amount of \$1,098,202 for the San Francisco Public Utilities Commission share of an**
6 **San Francisco Public Utilities Commission/East Bay Municipal Utility District Intertie**
7 **Project.**

8 WHEREAS, On April 8, 2003, the San Francisco Public Utilities Commission (SFPUC),
9 as part of Resolution 03-00062, approved the Joint Powers Agreement (JPA) between the
10 SFPUC, the East Bay Municipal Utility District (EBMUD) and the City of Hayward for the
11 design and construction of the SFPUC / EBMUD Intertie Facility (“Intertie Facility”); and

12 WHEREAS, On September 28, 2004, the SFPUC, as part of Resolution 04-0164,
13 approved Amendment 1 to the JPA to address the roles and responsibilities of each part for
14 the design and construction and terms of a certain Ground Lease for the parcel of real
15 property commonly known as 22488 Skywest Drive, related to an Intertie Facility; and

16 WHEREAS, On July 10, 2007, the SFPUC as part of Resolution 07-0130, approved
17 Amendment 2 to the JPA to address the roles and responsibilities of each part for the design
18 and construction, cost sharing and payment for the Oak Rate Control Station Improvements
19 and receipt and sharing of Grant funds related to an Intertie Facility; and

20 WHEREAS, Amendment 2 to the JPA identified the responsibilities of the parties
21 related to the receipt and sharing of \$2,550,000 in California Department of Public Health
22 (CDPH) Proposition 50 Grant funds; and,

23 WHEREAS, CDPH Grant funds in the amount of \$2,550,000 were awarded to EBMUD
24 on March 29, 2010 and the SFPUC portion of that, which amounts to \$1,098,202.20, was
25 distributed to the SFPUC on January 14, 2011; and,

1 WHEREAS, Funding for the required matching funds of \$1,098,202.20 is available from
2 the Water System Improvement Program (WSIP) Project No. CUW-38901 0 SFPUC/EBMUD
3 Intertie Project; and,

4 WHEREAS, the SFPUC/EBMUD Intertie Project connected the SFPUC and EBMUD
5 respective water supply systems by jointly constructing and operating the pumping stations
6 and related water pipelines; and,

7 WHEREAS, The project was substantially completed and put in service on September
8 7, 2007, but has yet to be closed out because of ongoing litigation; and,

9 WHEREAS, The City of Hayward is leading on-going litigation efforts, with assistance
10 from the SFPUC and EBMUD, to address claims submitted by the contractor; and

11 WHEREAS, San Francisco Administrative Code Sec. 10.170-(d) states that if indirect
12 costs are not allowed by the funding agency, this reason shall be stated in the authorizing
13 resolution and upon approving the acceptance and expenditure, the Board of Supervisors
14 may waive the requirement for inclusion of reimbursed costs; and,

15 WHEREAS, This grant does not include an Annual Salary Ordinance (ASO)
16 Amendment; now, therefore, be it

17 RESOLVED, That the General Manager of the San Francisco Public Utilities
18 Commission, or designee, is authorized to retroactively accept and expend grant funds
19 totaling \$1,098,202.20 from the California Department of Public Health for the SFPUC share
20 of the SFPUC/EBMUD Intertie project, and to execute all required agreements, with required
21 local matching funds of \$1,098,202.20 met through Water System Improvement Program,
22 Project No. CUW389.01; and, be it

23 FURTHER RESOLVED, that the Board of Supervisors waives the requirement for
24 inclusion of reimbursement due to indirect costs, given that the funding agency does not allow
25 for this reimbursement under the circumstances of this grant award, and, be it

1 FURTHER RESOLVED, that the Public Utilities Commission is hereby authorized by
2 the Board to retroactively accept and expend this grant, pursuant to Administrative Code Sec.
3 10.170-1.

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5 Approved: _____
6 Mayor

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8 Recommended _____ Approved: _____
9 General Manager Controller