

1 [Memorandum of Agreement - City of Daly City - Vista Grande Drainage Basin Improvement  
2 Project - Not to Exceed \$35,000,000]

3 **Resolution approving and authorizing the General Manager of the San Francisco Public**  
4 **Utilities Commission to execute, on behalf of the City and County of San Francisco, a**  
5 **Memorandum of Agreement with the City of Daly City for the funding, construction, and**  
6 **operation of the Vista Grande Drainage Basin Improvement Project, for a not to exceed**  
7 **amount of \$35,000,000, with a duration of five years starting August 4, 2025, through**  
8 **August 31, 2030, pursuant to Section 9.118 of the Charter.**

9

10 WHEREAS, The Vista Grande Drainage Improvement Project (Project) will provide a  
11 framework for the San Francisco Public Utilities Commission (SFPUC) and the City of Daly  
12 City (Daly City) to work collaboratively to alleviate flooding in the Vista Grande Basin within  
13 Daly City and the SFPUC’s Lake Merced Tract, and will also facilitate augmentation and  
14 management of Lake Merced water levels using sustainable supplies of Daly City’s  
15 stormwater; and

16 WHEREAS, In 1930, the SFPUC purchased the Lake Merced Tract from the Spring  
17 Valley Water Company and has historically used Lake Merced as a potable water supply; and

18 WHEREAS, Lake Merced is a surface water body that is connected to groundwater  
19 within the Westside Groundwater Basin (Basin, California Department of Water Resources  
20 Basin No. 2-35) in western San Francisco and northern San Mateo counties; and

21 WHEREAS, A fraction of surface water inflows to Lake Merced percolates to  
22 underground storage in the Basin through the bed of the lake; and

23 WHEREAS, Today, the SFPUC maintains Lake Merced for the beneficial uses of  
24 recreation and wildlife habitat and continues to maintain the capability of using surface water

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1 from the lake as a non-potable emergency water supply through use of the Lake Merced  
2 Pump Station; and

3 WHEREAS, Historical declines in Lake Merced water levels, generally attributable to  
4 diversion of stormwater away from Lake Merced following construction of the Vista Grande  
5 Canal and Tunnel in 1897, 20th century urban development in San Francisco and Daly City,  
6 drought conditions, and regional groundwater pumping, have generated concern regarding  
7 the long-term viability of Lake Merced; and

8 WHEREAS, The Project is intended to route stormwater from the Vista Grande Canal  
9 to South Lake Merced as well as to the Pacific Ocean, reduce uncontrolled overflows from the  
10 Vista Grande Canal into Lake Merced, achieve sustained increase in Lake Merced lake levels,  
11 improve storm water quality, and further the restoration of the drainage basin's natural  
12 hydrology; and

13 WHEREAS, The Project operates to mitigate impacts from SFPUC's implementation of  
14 the Regional Groundwater Storage and Recovery and San Francisco Groundwater Project, by  
15 increasing water surface elevations in Lake Merced; and

16 WHEREAS, Both Daly City and the SFPUC wish to memorialize their respective  
17 obligations as follows: 1) Daly City to construct and implement the Project, 2) Daly City and  
18 SFPUC to share water quality and hydrologic data related to Lake Merced, 3) SFPUC's  
19 financial contribution towards Project construction, and, 4) affirm commitments to sustainably  
20 operate the portion of the Basin within their respective jurisdictions while protecting the  
21 beneficial uses of Lake Merced; and

22 WHEREAS, On December 11, 2017, Daly City acting as the California Environmental  
23 Quality Act (CEQA) lead agency, certified a Final Environmental Impact Report/Environmental  
24 Impact Statement (Final EIR/EIS) for the Project prepared pursuant to CEQA, by  
25

1 Resolution 17-200, and subsequently prepared and adopted an Addendum to the Final  
2 EIR/EIS on June 9, 2025; and

3 WHEREAS, Daly City has adopted CEQA findings, and mitigation measures included  
4 in the Final EIR/EIS to avoid or substantially lessen the significant environmental effects  
5 identified in the Final EIR/EIS, as set forth in the Mitigation Monitoring and Reporting  
6 Program, and has assumed responsibility for their implementation; and

7 WHEREAS, Authorization of the Memorandum of Agreement (MOA) is within the scope  
8 of the project authorized under the Final EIR/EIS and Addendum to the Final EIR/EIS; and

9 WHEREAS, Since Daly City adopted the Final EIR/EIS and Addendum to the Final  
10 EIR/EIS, there have been no substantial changes in the Project or changes in Project  
11 circumstances that would result in new significant environmental effects or an increase in the  
12 severity of previously identified significant impacts, and there is no new information of  
13 substantial importance that would change the conclusions set forth in the Final EIR/EIS and  
14 Addendum to the Final EIR/EIS; and

15 WHEREAS, The SFPUC has no direct authority or responsibility with respect to the  
16 proposed Project or any Project mitigation measures under CEQA other than to enable Daly  
17 City, through the MOA, to carry out the proposed Project; and

18 WHEREAS, The current estimated project construction cost for the Project  
19 is \$130,000,000, and SFPUC's contribution is \$35,000,000 based on the water resource  
20 benefits that will accrue to the SFPUC in the form of increased groundwater storage in the  
21 Basin and additional emergency water supplies; and

22 WHEREAS, Construction work is anticipated to begin on August 4, 2025, and end in  
23 August 31, 2030, and the total duration of this agreement is five years; and

24 WHEREAS, Funds for this agreement will be available at the time of award from  
25 Project No. CUW30101 Lake Merced Water Level Restoration Project; and

1           WHEREAS, Charter, Section 9.118(b) requires Board of Supervisors' approval by  
2 Resolution of any contract which, when entered into, extends over 10 years, and of any  
3 contract which, when entered into, costs the City \$10,000,000 or more; and

4           WHEREAS, The draft MOA contained in File No. 250775, is substantially in final form,  
5 with all material terms and conditions included, and only remains to be executed by the  
6 parties upon approval of this Resolution; and

7           WHEREAS, On July 8, 2025, by Resolution No. 25-0113, the SFPUC Commission  
8 approved and authorized the General Manager of the SFPUC to execute on behalf of the City  
9 and County of San Francisco, the MOA with Daly City for the funding, construction, and  
10 operation of the Project, with a duration of five years starting August 4, 2025, through  
11 August 31, 2030, pursuant to Section 9.118 of the Charter; now, therefore, be it

12           RESOLVED, That the Board of Supervisors hereby approves and authorizes the  
13 General Manager of the SFPUC to execute on behalf of the City and County of San  
14 Francisco, the MOA with Daly City for the funding, construction, and operation of the Project,  
15 with a duration of five years starting August 4, 2025, through August 31, 2030; and, be it

16           FURTHER RESOLVED, That within 30 days of the Agreement being fully executed by  
17 all parties, the SFPUC shall provide signed copies to the Clerk of the Board for inclusion in the  
18 official file.