

File No. 111031

Committee Item No. 3  
Board Item No. 13

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee

Date: November 2, 2011

Board of Supervisors Meeting

Date Nov 8, 2011

#### Cmte Board

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

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Completed by: Victor Young

Date: October 28, 2011

Completed by: Victor Young

Date: 11-3-11

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

1 [Appropriating ~~\$314,092,249~~ \$304,120,801 of Water System Improvement Program (WSIP)  
2 Project Funds - Finance Committee Reserves \$215,338,107 - Public Utilities Commission -  
3 FY2011-2012]

4 Ordinance de-appropriating ~~\$314,092,249~~ \$304,120,801 in existing Water System  
5 Improvement Program (WSIP) project budgets and re-appropriating the funds to the  
6 revised WSIP program budgets adopted by the San Francisco Public Utilities  
7 Commission, and placing ~~\$227,779,748~~ \$215,338,107, as well as future project savings,  
8 on Finance Committee reserve. ~~Controller reserve subject to completion of project-~~  
9 ~~related analysis pursuant to California Environmental Quality Act (CEQA), where~~  
10 ~~required, and receipt of proceeds of indebtedness, as certified by the Controller for~~  
11 ~~Fiscal Year 2011-2012.~~

12 Note: Additions are single-underline italics Times New Roman;  
13 deletions are ~~strikethrough italics Times New Roman~~.  
14 Board amendment additions are double underlined.  
15 Board amendment deletions are ~~strikethrough normal~~.

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

17 Section 1. The sources of funding were previously appropriated and no additional  
18 funding is requested in this supplemental appropriation ordinance as indicated by Attachment  
19 A. The uses of funding outlined below are herein de-appropriated to reflect the funding  
20 available for Fiscal Year 2011-2012.

21 **Uses De-appropriation**

Fund	Index/Project Code	Subobject	Description	Amount
5W CPF 02E	*WTR5WCPF02E	06C00 Capital	HTWTP Long	<u>\$79,910,040</u>
2002 Prop E Bond Fund	CUW367	Projects	Term	<u>\$82,167,000</u>
		Budget	Improvements	

	Fund	Index/Project Code	Subobject	Description	Amount
1					
2	5W CPF 02E	737121	06C00 Capital	Crystal	\$27,348,722
3	2002 Prop E Bond Fund	CUW371	Projects	Springs/San	
4			Budget	Andreas Upgrade	
5	5W CPF 02E	737825	06C00 Capital	Crystal Springs	\$13,612,952
6	2002 Prop E Bond Fund	CUW378	Projects	Pipeline #2	
7			Budget		
8	5W CPF 02E	Various	06C00 Capital	Install of SCADA	\$10,524,072
9	2002 Prop E Bond Fund	CUW363	Projects	System Phase II	
10			Budget		
11	5W CPF 02E	*WTR5WCPF02E	06C00 Capital	BDPL Hydraulic	<u>\$68,755,843</u>
12	2002 Prop E Bond Fund	CUW368	Projects	Reliability Upgrade	<del>\$82,674,040</del>
13			Budget		
14	5W CPF 02E	*WTR5WCPF02E	06C00 Capital	San Joaquin	<u>\$93,435,512</u>
15	2002 Prop E Bond Fund	CUW373	Projects	Pipeline System	<del>\$87,231,803</del>
16			Budget		
17	5W CPF 02A	Various	06C00 Capital	San Francisco	\$6,241,042
18	2002 Prop A Bond Fund	CUWSLP0100	Projects	Local Pump	
19			Budget	Station/Tanks	
20	5W CPF 02A	Various	06C00 Capital	San Francisco	\$3,874,758
21	2002 Prop A Bond Fund	CUWSLV0100	Projects	Local	
22			Budget	Pipeline/Valves	
23					
24					
25					

Fund	Index/Project Code	Subobject	Description	Amount
5W CPF 02E	WTR5WCPF02E	06C00 Capital	San Francisco	\$417,860
2002 Prop E Bond Fund	CUWSLM	Projects Budget	Local Misc.	
<b>Total USES De-appropriation</b>				<b><u>\$304,120,801</u></b>
				<b><u>\$314,092,249</u></b>

Section 2. The uses of funding outlined below are herein re-appropriated in Subobject 06700 (Buildings, Structures, and Improvement Project-Budget), and reflects the projected uses of funding to support the re-appropriation of existing Water System Improvement Program (WSIP) projects consistent with the revised June 2011 WSIP program budgets adopted by the San Francisco Public Utilities Commission for Fiscal Year 2011-2012.

**USES Re-appropriation**

Fund	Index/Project Code	Subobject	Description	Amount
5W CPF 02E	*WTR5WCPF02E	06700 Buildings,	Sunol Valley	<u>\$9,080,414</u>
2002 Prop E Bond Fund	CUWSVI0100	Structures, and Improvement Project-Budget	Water System Improvement	<del>\$2,080,414</del>
5W CPF 02E	*WTR5WCPF02E	06700 Buildings,	San Francisco	\$2,409,789
2002 Prop E Bond Fund	CUWSLR0100	Structures, and Improvement Project-Budget	Local Reservoirs	

	Fund	Index/Project Code	Subobject	Description	Amount
1					
2	5W CPF 02E	*WTR5WCPF02E	06700 Buildings,	Regional	\$33,758,840
3	2002 Prop E Bond	CUW30103	Structures, and	Ground Water	
4	Fund		Improvement	Supply	
5			Project-Budget		
6	5W CPF 02E	*WTR5WCPF02E	06700 Buildings,	San Francisco	\$22,857,000
7	2002 Prop E Bond	CUW30102	Structures, and	Water Supply	
8	Fund		Improvement		
9			Project-Budget		
10	5W CPF 02E	*WTR5WCPF02E	06700 Buildings,	Recycled Water	\$27,367,424
11	2002 Prop E Bond	CUW30201	Structures, and	Project – San	
12	Fund		Improvement	Francisco	
13			Project-Budget		
14	5W CPF 02E	*WTR5WCPF02E	06700 Buildings,	Security System	\$16,667,553
15	2002 Prop E Bond	CUW36302	Structures, and	Upgrade	
16	Fund		Improvement		
17			Project-Budget		
18	5W CPF 02E	*WTR5WCPF02E	06700 Buildings,	Habitat Reserve	\$41,303,324
19	2002 Prop E Bond	CUW38802	Structures, and	Program	
20	Fund		Improvement		
21			Project-Budget		
22	5W CPF 02E	*WTR5WCPF02E	06700 Buildings,	Program	\$6,216,808
23	2002 Prop E Bond	CUW392	Structures, and	Management	
24	Fund		Improvement	Services	
25			Project-Budget		

Fund	Index/Project Code	Subsubject	Description	Amount
5W CPF 02E	*WTR5WCPF02E	06700 Buildings,	Program	<u>\$144,459,649</u>
2002 Prop E Bond		Structures, and	Reserve	<u>\$161,431,007</u>
Fund		Improvement		
		Project-Budget		
<b>Total USES Re-appropriation</b>				<u><u>\$304,120,801</u></u>
				<u><u>\$314,092,249</u></u>

Section 3. A total appropriation in the amount of \$144,459,649 ~~\$227,779,748~~ is placed on Finance Committee reserve ~~Controller's reserve~~ by project region as indicated by Attachment B. Release of appropriation reserves by the Finance Committee Controller is subject to the prior occurrence of 1) the SFPUC's and the Board of Supervisors' discretionary adoption of CEQA Findings for projects, following review and consideration of completed project related environmental analysis, pursuant to CEQA, the State CEQA Guidelines, and Chapter 31 of the San Francisco Administrative Code, where required, and 2) the Controller's certification of funds availability, including proceeds of indebtedness, and 3) Finance Committee review of WSIP project updates and the review of the request for reserve release.

Section 4. The Controller is authorized to record transfers between funds and adjust the accounting treatment of sources and uses appropriated in this Ordinance as necessary to conform with Generally Accepted Accounting Principles. Budgetary control will remain at the Regional Projects Level ~~and Program Reserves may be released and allocated to Regional projects with the Controller's consent once approved by the PUC Commission.~~

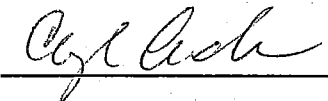
1 Section 5. The SFPUC is hereby authorized to move any future project savings into the WSIP  
2 Program Reserve by notifying the Controller of the amount to be transferred, without any  
3 further approval by the Board of Supervisors.

4  
5 Section 6. To ensure achieved savings are maximized through program completion, once  
6 project savings are transferred to the WSIP Program Reserve those funds shall be subject to  
7 a Finance Committee reserve. Project savings transferred to the WSIP Program Reserve will  
8 be reviewed as part of the Quarterly WSIP Report provided by the SFPUC to the Finance  
9 Committee.

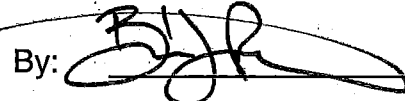
10  
11 Section 7. The Finance Committee hereby releases \$94,148,737 for the San Joaquin  
12 Pipeline System, \$94,201,709 for the Harry Tracy Water Treatment Plant Long Term  
13 Improvements, and \$33,929,302 for the Crystal Springs/San Andreas Transmission Upgrade,  
14 all three of which are related to the de-appropriations also contained herein

15  
16 Section 8. Increase the Finance Committee Reserve on project CUW388 02 Habitat Reserve  
17 Program, \$41,659,458, and CUW302 01 Recycled Water Project – San Francisco,  
18 \$29,219,000.

1 APPROVED AS TO FORM:  
2 DENNIS J. HERRERA, City Attorney

3 By:   
4 Deputy City Attorney

FUNDS AVAILABLE  
Ben Rosenfield, Controller

By:   
Date: September 19, 2011  
Amended November 2, 2011

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**LEGISLATIVE DIGEST**

[Appropriating \$304,120,801 of Water System Improvement Program Project Funds - Finance Committee Reserve of \$215,338,107 - Public Utilities Commission - FY2011-2012]

**Ordinance de-appropriating \$304,120,801 in existing Water System Improvement Program (WSIP) project budgets and re-appropriating the funds to the revised WSIP program budgets adopted by the San Francisco Public Utilities Commission, and placing \$215,338,107, as well as future project savings, on Finance Committee reserve.**

Existing Law

Past ordinances have established appropriations for projects of the Water System Improvement Project and have placed those appropriations on both Controller and Finance Committee Reserves pending sale of bonds, the Board of Supervisor's Approval of California Environmental Quality Act (CEQA) findings, and Finance Committee approval of projects over \$100,000,000 dollars.

Amendments to Current Law

The current ordinance adjusts the previously approved appropriation levels on various projects to reflect the revised WSIP program budgets adopted by the San Francisco Public Utilities Commission. The ordinance moves savings from projects with unneeded appropriations to projects needing additional appropriation authority, and to a reserve account. Any Finance Committee or Controller reserves remaining on the old projects will move with the appropriations to new projects.

The ordinance also creates a new WSIP program reserve account to hold savings realized by WSIP projects and moves current savings of \$144,459,649 into that account. It also allows the PUC to move future savings into that account without Board approval. However, all appropriations in that reserve account will be placed on Finance Committee reserve and will require Finance Committee approval to be released. Balances in the reserve account will be reviewed as part of the quarterly WSIP update to the Finance Committee.

<b>Items 3 and 4</b> <b>Files 11-1031 and 11-1159</b>	<b>Department:</b> Public Utilities Commission (PUC)
<b>EXECUTIVE SUMMARY</b>	
<b>Legislative Objectives</b>	
<p><u>File 11-1031</u>: The proposed supplemental appropriation ordinance would (a) reappropriate \$304,120,801 from existing Water System Improvement Program (WSIP) project budgets, appropriating \$159,661,152 to increase five WSIP project region budgets and appropriating \$144,459,649 to a new WSIP Program-wide Reserve Fund, (b) authorize the PUC to move any future WSIP project savings to the WSIP Program-wide Reserve Fund, (c) place \$215,338,107 as well as all future WSIP project savings on Budget and Finance Committee Reserve, and (d) release \$249,562,922 in WSIP project funding, including \$27,283,174 in funding for the Calaveras Dam replacement project, from existing Budget and Finance Committee reserves.</p>	
<p><u>File 11-1159</u>: The PUC has requested the release of \$27,283,174 currently on Budget and Finance Committee reserve to fund the construction of the Calaveras Dam replacement project.</p>	
<b>Key Points</b>	
<ul style="list-style-type: none"> <li>• The Budget and Finance Committee previously considered this proposed subject supplemental appropriation ordinance (File 11-1031) on September 28, 2011, at which time the ordinance was continued to the call of the Chair.</li> <li>• The PUC has revised the previously considered ordinance (File 11-1031). Such revisions include (a) a reduction in the requested reappropriation from \$314,092,249, to \$304,120,801; (b) a reduction in the proposed WSIP Program-wide Reserve Fund from \$161,431,097 to \$144,459,649; (c) replacement of a request to place \$227,779,748 on Controller's reserve with a request to instead place \$215,338,107 and all future WSIP project savings on Budget and Finance Committee reserve; and (d) a request to release \$249,562,922 of the \$484,864,052 which are currently on Budget and Finance Committee reserve, including the \$27,283,174 for the Calaveras Dam replacement project that is also being separately requested for release from Budget and Finance Committee reserves (File 11-1159).</li> </ul>	
<b>Fiscal Impacts</b>	
<ul style="list-style-type: none"> <li>• The proposed supplemental appropriation (File 11-1031) does not increase the total estimated \$4,113,856,261 WSIP project costs. Instead, the PUC would reappropriate \$304,120,801 from six WSIP project regions with budget-surpluses including (a) \$159,661,152 for five WSIP project regions and (b) \$144,459,649 for a new WSIP Program-wide Reserve Fund.</li> <li>• Under the proposed ordinance (File 11-1031), the \$144,459,649 for the new WSIP Program-wide Reserve Fund would be placed on Budget and Finance Committee Reserve and would only be released after the PUC submits detailed expenditure requests to the Budget and Finance Committee. Additional future additions to the WSIP Program-Wide Reserve fund would come from any savings at closeout of WSIP projects. All expenditures from the WSIP Program-wide Reserve Fund would be subject to Budget and Finance Committee release from Reserve.</li> </ul>	
<b>Recommendations</b>	
<p>Approve the proposed ordinance (File 11-1031) and requested release of reserves (File 11-1159).</p>	

## MANDATE STATEMENT AND BACKGROUND

### Mandate Statement

File 11-1031: In accordance with City Charter Section 9.105, amendments to the annual appropriation ordinance are subject to approval by the Board of Supervisors, by ordinance, and are subject to the Controller certifying the availability of funds.

File 11-1159: In accordance with Section 3.3 of the City's Administrative Code, 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 until released by the Budget and Finance Committee of the Board of Supervisors.

### Background

The San Francisco Public Utilities Commission (PUC)'s Water System Improvement Program (WSIP) consists of 86 projects organized into 11 project regions to repair, replace, and seismically upgrade the Hetch Hetchy water system's aging pipelines, tunnels, pumps, tanks, reservoirs and dams. PUC commenced the WSIP in FY 2002-2003 and is scheduled to complete all projects by the end of July 2016. The approved WSIP project budget is \$4,113,856,261. WSIP is funded with PUC Water Revenue Bonds, which will be repaid from water rate revenues paid by PUC water customers.

The PUC has approved a revised WSIP budget request, (a) increasing the budgets of five WSIP project regions; (b) reducing the budgets of six WSIP projects; and (c) creating a new WSIP Program-wide Reserve Fund. These budget revisions resulted in no net change to the overall WSIP program budget of \$4,113,856,261.

According to PUC General Manager Mr. Ed Harrington, the proposed WSIP project budget re-appropriations are necessary in order to:

- Incorporate the latest project schedule and cost forecasts based on the most recent information available, including the status of change orders, trends, risks and contingencies reported by the various construction management (CM) teams;
- Incorporate the latest scope changes and refinements approved by the WSIP Change Management Board and WSIP Director;
- Incorporate the recent construction bids and the near-term effects of the economic recession into construction cost estimates;
- Provide more realistic project baselines for performance measurements;
- Consolidate project cost savings accumulated to date in a Program Management Reserve; and
- Ensure compliance with the California Water Code.<sup>1</sup>

The PUC is now seeking Board of Supervisors approval of these WSIP budget re-appropriations.

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<sup>1</sup> Report to the California Seismic Safety Commission and the California Department of Public Health, Sept. 1, 2011

*Previously Reserved Funds*

There are existing Budget and Finance Committee Reserves on various WSIP project funds totaling \$484,864,052, as shown in Table 1 below. The \$484,864,052 was placed on Budget and Finance Committee reserve for those WSIP projects exceeding \$100 million, pending review and release by the Budget and Finance Committee (File 10-0337).

The Board of Supervisors Budget and Finance Committee originally considered the proposed ordinance (File 11-1031) on September 28, 2011, at which time the Budget and Finance Committee continued the ordinance to the Call of the Chair. The PUC has submitted revisions to the original ordinance. The Budget and Legislative Analyst's report is based on the revised subject ordinance.

On the advice of the City Attorney's Office, the PUC submitted a separate request for release of \$27,283,174 on Budget and Finance Committee reserve (File 11-1159). It should be noted that this requested release of \$27,283,174 is also part of File 11-1031 under the requested release of \$249,562,922 from Budget and Finance Committee reserve.

**DETAILS OF PROPOSED LEGISLATION****File 11-1031**

The Public Utilities Commission (PUC) is requesting the proposed supplemental appropriation ordinance to reappropriate the budget for the PUC's Water System Improvement Program (WSIP) to reflect the most current estimates for each project region and to provide a WSIP Program-wide Reserve Fund to allow for future potential project budget increases. Under the proposed ordinance, \$304,120,801 of the previously appropriated \$4,113,856,261 in total WSIP project costs would be reappropriated in order to (a) reduce the project budgets in six of the 11 WSIP project regions having surplus monies for a total reduced cost of \$304,120,801; (b) increase the project budgets in five of the 11 WSIP project regions for a total increased cost of \$159,661,152; (c) create a new \$144,459,649 WSIP Program-wide Reserve Fund, (d) place this \$215,338,107 and all future WSIP project savings on Budget and Finance Committee Reserve; and (e) release \$249,562,922 of the \$484,864,052 which are currently on Budget and Finance Committee reserve. (see Table 1 below).

***Decreased Costs for Six WSIP Project Regions Having Surplus Monies***

Under the proposed ordinance, six of the eleven WSIP project region's budgets would be reappropriated from surplus monies totaling \$304,120,801 as detailed in Attachment I to this report.

***Increased Costs for Five WSIP Project Regions***

Under the proposed ordinance, the budgets for the remaining five of the eleven WSIP project regions have an estimated deficit of \$159,661,152, as detailed in Attachment II to this report. Such increased costs are due to delays in the completion of the WSIP by approximately eight months, from December 2015 to July 2016, as well as construction and scope changes in various

projects. Attachment II provides a project-by-project breakdown of the five WSIP project regions subject to the proposed project budget increases totaling \$159,661,152.

### ***New WSIP Program-wide Reserve Fund***

The PUC is also requesting an appropriation of \$144,459,649 (total reappropriation of \$304,120,801 less \$159,661,152 for cost increases to other WSIP project regions) for a newly created WSIP Program-wide Reserve Fund. The \$144,459,149 placed in this new WSIP Program-wide Reserve Fund, as well as any future additional monies added to this WSIP Program-wide Reserve Fund, would be placed on Budget and Finance Committee reserve. All requested expenditures for this Fund would be released only after the PUC submits detailed expenditure requests to the Budget and Finance Committee.

According to Mr. Surinderjeet Bajwa, PUC Project Management Bureau Manager and WSIP Deputy Director for Pre-Construction, the WSIP Program-wide Reserve Fund would be the future source of funds for any WSIP project costs that exceed the June 2011 Revised WSIP project budgets, that are reflected in the proposed request.

Under the proposed ordinance, the funding level of the proposed WSIP Program-wide Reserve Fund could be increased by the PUC, above the requested \$144,459,649, if (a) the value of construction contracts awarded in the future is less than the budget allocated for the work, or (b) a WSIP project is completed with surplus funds remaining in the project. However, because all of the funds in the newly created WSIP Program-wide Reserve Fund would be placed on Budget and Finance Committee Reserve, the expenditure of all monies from the WSIP Program-wide Reserve Fund would be subject to release by the Budget and Finance Committee, subject to the PUC submitting detailed budget requests to the Budget and Finance Committee.

According to Ms. Julie Labonte, PUC WSIP Director, under the proposed WSIP budget reappropriation, each WSIP project budget includes a ten percent construction contingency. Ms. Labonte advises that the proposed Program-wide Reserve Fund would be available to potentially fund all increased costs above this budgeted ten percent construction contingency. Under the proposed ordinance, the PUC would make requests for release of reserves from the WSIP Program-wide Reserve Fund in concert with the PUC's quarterly reports to the Board of Supervisors Budget and Finance Committee.

### ***Additional Budget and Finance Committee Reserved Funds***

As shown in Table 1 below, there is currently \$484,864,052 previously placed on reserve by the Budget and Finance Committee. Under the proposed ordinance, the PUC is requesting the release of \$249,562,922 from the previously reserved funds of \$484,864,052 for the first four projects listed in the second column of Table 1. This \$249,562,922 release request includes \$27,283,174 for the Calaveras Dam replacement project that is also being separately requested for release from Budget and Finance Committee reserve (File 11-1159). In addition, under the proposed ordinance, an additional \$215,338,107 in existing WSIP funds would be placed on Budget and Finance Committee Reserve for three projects, including (a) \$41,659,458 for the Habitat Reserve Program, (b) \$29,219,000 for the San Francisco Recycled Water Project, and (c)

\$144,459,649 for the proposed newly created WSIP Program-wide Reserve Fund as shown in the second column of Table 1 below. Therefore, under the proposed ordinance, the new Budget and Finance Committee Reserve would be \$450,639,237, (\$484,864,052 less \$249,562,922 plus \$215,338,107) as shown in Table 1.

**Table 1. WSIP Projects on Budget and Finance Committee Reserve**

Project	Existing Budget and Finance Committee Reserves	Proposed Release of Reserve Changes	New Budget and Finance Committee Reserve
San Joaquin Pipeline System	\$94,148,737	(\$94,148,737)	\$0
Calaveras Dam Replacement*	54,112,380	(27,283,174)*	26,829,206
HTWTP Long Term Improvements	94,201,709	(94,201,709)	0
Crystal Springs/San Andreas Upgrade	33,929,302	(33,929,302)	0
<b>Subtotal: Release of Reserves</b>	<b>\$276,392,128</b>	<b>(\$249,562,922)</b>	<b>\$26,829,206</b>
Alameda Creek Fishery Enhancement	\$15,314,352	\$0	\$15,314,352
Peninsula Pipeline Seismic Upgrade	10,242,545	0	10,242,545
Regional Groundwater Storage/Recovery	33,490,259	0	33,490,259
Program Management Services - WSIP	34,897,331	0	34,897,331
Lake Merced Water Level Restoration	22,919,437	0	22,919,437
<b>Subtotal: No Change</b>	<b>\$116,863,924</b>	<b>\$0</b>	<b>\$116,863,924</b>
Recycled Water Project San Francisco	\$91,608,000	\$29,219,000	\$120,827,000
Habitat Reserve Program	0	41,659,458	41,659,458
WSIP Program-Wide Reserve	0	144,459,649	144,459,649
<b>Subtotal: Additional Reserves</b>	<b>\$91,608,000</b>	<b>\$215,338,107</b>	<b>\$306,946,107</b>
<b>Total WSIP Projects</b>	<b>\$484,864,052</b>	<b>(\$34,224,815)</b>	<b>\$450,639,237</b>

\* Release of \$27,283,174 in Budget and Finance Committee reserves for the Calaveras Dam Replacement is being requested in both the supplemental appropriation ordinance (File 11-1031) and the request for release of reserves (File 11-1159). As noted in Table 1 above, the \$27,283,174 is part of the requested release of \$249,562,922.

### **File 11-1159**

The PUC has requested the release of \$27,283,174 currently on Budget and Finance Committee reserve to fund the construction of the Calaveras Dam replacement project. Section 7 of the proposed supplemental appropriation ordinance (File 11-1031) also includes language requesting the release of the subject \$27,283,174 for the Calaveras Dam replacement project, and the requested release is included in the "Additional Budget and Finance Committee Reserved Funds" section above, as well as in the second column of Table 1 above, for a total requested release of \$249,562,922.

## FISCAL IMPACTS

The six WSIP project regions with net surpluses totaling \$304,120,801 that are proposed for reappropriation are summarized in Table 2, below. Attachment I provides a project-by-project breakdown for each of these six WSIP regions.

**Table 2: WSIP Project Regions Having Surplus Monies Proposed for Reappropriation**

WSIP Project Region	Source Amount
Peninsula Water System Improvement Projects	\$120,871,714
Bay Division Water System Improvement Projects	79,279,915
San Joaquin Water System Improvement Projects	93,435,512
San Francisco Local Pump Station/Tanks	6,241,042
San Francisco Local Pipeline/Valves	3,874,758
San Francisco Local Miscellaneous	417,860
<b>Total</b>	<b>\$304,120,801</b>

Source: PUC

Under the proposed ordinance, the PUC would reappropriate \$304,120,801 in surplus monies from six WSIP project regions, as shown in Table 2 above, including \$159,661,152 appropriated for five WSIP project regions that have estimated deficits, and \$144,459,649 appropriated for a new WSIP Program-wide Reserve Fund, as shown in Table 2 above and Table 3 below.

As shown in Table 3 below, \$144,459,649 would be appropriated for the new WSIP Program-wide Reserve Fund and \$159,661,152 would be appropriated for five WSIP project regions that have estimated deficits.

**Table 3: Uses of Reappropriated Funds**

Uses	Use Amount
New WSIP Program-wide Reserve Fund	\$144,459,649
WSIP Project Regions	
System Wide Region	\$64,187,685
Water Supply Projects	50,224,424
San Francisco Regional Water System Projects	33,758,840
Sunol Valley Water System Improvement Projects	9,080,414
San Francisco Local Reservoirs	2,409,789
<i>WSIP Project Regions Subtotal (see Attachment II)</i>	<i>159,661,152</i>
<b>Total</b>	<b>\$304,120,801</b>

Source: PUC

**POLICY CONSIDERATION****The Proposed Revised Ordinance Meets the Policy Concerns  
Previously Raised by the Budget and Legislative Analyst in the  
September 28, 2011 Report to the Budget and Finance Committee**

The concerns previously reported by the Budget and Legislative Analyst have been addressed under the proposed revised ordinance in that under the ordinance previously considered by the Budget and Finance Committee, monies expended from the WSIP Program-wide Reserve Fund would not have been subject to release by the Budget and Finance Committee of the Board of Supervisors. Under this proposed ordinance (File 11-1031), all expenditures from the WSIP Program-wide Reserve Fund would be subject to release by the Budget and Finance Committee.

**RECOMMENDATIONS**

Approve the proposed ordinance (File 11-1031) and requested release of reserves (File 11-1159).



WSIP Budget Summary as of 8/1/2011

ATTACHMENT I

REGION	Project	June 2009 Adopted Budget	Commission Budget, June 2011	Requested Appropriation (Deappropriation)
<b>PENINSULA WATER SYSTEM IMPROVEMENT PROJECTS</b>				
		<b>894,784,082</b>	<b>773,912,365</b>	<b>(120,871,717)</b>
	CUW354 LOWER CRYSTAL SPRINGS DAM IMPROVEMENTS	36,253,097	33,510,000	(2,743,097)
	CUW356 NEW CRYSTAL SPRINGS BYPASS TUNNEL	94,608,996	86,444,995	(8,164,001)
	CUW357 ADIT LEAK REPAIRS (CS/CALV RES)	2,792,885	2,787,322	(5,563)
	CUW361 PULGAS BALANCING RESERVOIR REHAB	34,099,826	32,322,576	(1,777,250)
	CUW365 CROSS CONNECTION CONTROLS	3,802,674	3,965,943	163,269
	CUW366 HTWTP SHORT TERM IMPROVEMENTS PH A	24,038,226	23,095,308	(941,918)
	CUW36701 HTWTP LONG TERM IMPROVEMENTS	359,063,409	278,153,369	(79,910,040)
	CUW36702 PENINSULA PIPELINE SEISMIC UPGRADE	15,000,000	30,616,959	15,616,959
	CUW369 CAPUCHINO VALVE LOT CAPACITY IMPROVEMENT	2,818,378	2,803,153	(15,225)
	CUW371 CRYSTAL SPRINGS/SAN ANDREAS UPGRADE	192,070,722	164,722,000	(27,348,722)
	CUW378 CRYSTAL SPRINGS PL #2 REPLACE (IN CITY)	71,243,333	57,469,321	(13,774,012)
	CUW379 SAN ANDREAS #3 PIPELINE INSTALLATION	31,903,033	29,910,051	(1,992,982)
	CUW391 BADEN AND SAN PEDRO VALVE LOT	27,089,503	27,110,368	20,865
<b>BAY DIVISION WATER SYSTEM IMPROVEMENT PROJECTS</b>				
		<b>785,113,675</b>	<b>705,833,760</b>	<b>(79,279,915)</b>
	CUW353 SEISMIC UPGRADE BDPL @ HAYWARD FAULT	112,924,498	119,214,369	6,289,871
	CUW363 INSTALLATION OF SCADA SYSTEM PH II	27,612,864	10,420,832	(17,192,032)
	CUW368 BDPL HYDRAULIC RELIABILITY UPGRADE	600,174,492	531,418,649	(68,755,843)
	CUW380 BDPL NO 3&4 CROSS CONNECTION	33,944,441	33,253,264	(691,177)
	CUW389 EBMUD INTERTIE	8,429,072	9,559,755	1,130,683
	CUW393 BDPL#4 CONDITION ASSESSMENT PCCP SECTION	2,028,308	1,966,891	(61,417)
<b>SAN JOAQUIN WATER SYSTEM IMPROVEMENT PROJECTS</b>				
		<b>430,052,456</b>	<b>523,487,988</b>	<b>(93,435,512)</b>
	CUW364 LAWRENCE LIVERMORE SUPPLY IMPROVEMENTS	3,800,231	4,205,166	304,935
	CUW373 SAN JOAQUIN PIPELINE SYSTEM	309,807,722	219,847,267	(90,260,455)
	CUW384 TESLA TREATMENT FACILITY	114,162,348	110,683,233	(3,479,115)
	CUW387 TESLA PORTAL DISINFECTION STATION	2,082,155	2,081,278	(877)
<b>SAN FRANCISCO LOCAL PUMP STATION/TANKS</b>				
		<b>167,437,889</b>	<b>161,196,647</b>	<b>(6,241,042)</b>
	CUW306 CROCKER AMAZON PUMP STATION UPGRADE	4,125,498	4,125,498	0
	CUW309 LAKE MERCED PUMP STATION UPGRADE	49,340,000	47,292,400	(2,047,600)
	CUW314 LA GRANDE TANK REHAB/SEISMIC UPGRADE	6,987,728	6,987,728	0
	CUW318 FOREST HILL TANK REHAB/SEISMIC UPGRADE	2,936,199	2,936,199	0
	CUW320 FOREST HILL PUMP STATION UPGRADE	7,200,000	7,583,000	383,000
	CUW321 FOREST KNOLLS PUMP STATION UPGRADE	6,395,000	6,245,000	(150,000)
	CUW322 LINCOLN PARK PUMP STATION UPGRADE	4,341,621	4,345,215	3,594
	CUW323 MCLAREN PARK PUMP STATION UPGRADE	29,352,400	29,210,000	(142,400)
	CUW324 MOUNT DAVIDSON PUMP STATION UPGRADE	4,573,500	4,578,500	5,000
	CUW325 PALO ALTO PUMP STATION UPGRADE	6,484,000	6,254,000	(230,000)
	CUW326 SKY VIEW/AQUA VISTA PUMP ST UPGRADES	4,920,000	4,751,094	(168,906)
	CUW327 SUMMIT PUMP STATION UPGRADE	6,531,105	6,546,113	15,008
	CUW328 MCLAREN #1 TANK REHAB/SEISMIC UPGRADE	4,684,430	4,659,910	(24,520)
	CUW329 POTRERO HEIGHTS TANK REHAB/UPGRADE	1,084,863	1,084,863	0
	CUW330 FOREST KNOLLS TANK REHAB/UPGRADE	3,675,000	3,575,000	(100,000)
	CUW331 LINCOLN PARK TANK REHAB/SEISMIC UPGRADE	2,690,656	2,690,656	0
	CUW332 MCLAREN #2 TANK REHAB/SEISMIC UPGRADE	4,459,119	4,458,201	(918)
	CUW333 MOUNT DAVIDSON TANK REHAB/UPGRADE	2,894,000	2,829,000	(65,000)
	CUW338 LE GRANDE PUMP STATION UPGRADE	7,205,000	5,225,000	(1,980,000)
	CUW339 POTRERO HEIGHTS PUMP STATION UPGRADE	605,670	605,670	0
	CUW340 VISTA FRANCISCO PUMP STATION UPGRADE	6,950,900	5,212,600	(1,738,300)
	CUW3SLP SF LOCAL PUMP STATIONS/TANKS	0		
<b>SAN FRANCISCO LOCAL PIPELINE/VALVES</b>				
		<b>85,458,489</b>	<b>81,583,731</b>	<b>(3,874,758)</b>
	CUW304 NORTH UNIVERSITY MOUND SYSTEM UPGRADE	12,850,000	11,450,000	(1,400,000)
	CUW308 KEY MOTORIZED/OTHER CRITICAL VALVES	10,984,746	10,984,746	0
	CUW311 SUNSET CIRCULATION IMPROVEMENTS	6,983,984	7,073,054	89,070
	CUW312 LINCOLN WAY TRANSMISSION LINE	13,950,000	13,950,000	0
	CUW313 NOE VALLEY TRANSMISSION MAIN PH2	7,382,000	5,657,000	(1,725,000)
	CUW315 EAST WEST TRANSMISSION MAIN	28,600,000	27,755,000	(845,000)
	CUW318 FULTON@6TH 30" MAIN REPLACEMENT	4,707,759	4,713,931	6,172
	CUW3SLV SF LOCAL PIPELINES VALVES	0		
<b>SAN FRANCISCO LOCAL MISCELLANEOUS</b>				
		<b>6,136,876</b>	<b>5,719,016</b>	<b>(417,860)</b>
	CUW303 VEHICLE SERVICE & FACILITY UPGRADE	4,461,400	4,043,540	(417,860)
	CUW305 FIRE PROTECTION AT CDD	1,675,476	1,675,476	0
<b>TOTAL</b>		<b>\$2,368,983,287</b>	<b>\$2,251,733,487</b>	<b>(\$304,120,804)</b>

WSIP Budget Summary as of 8/1/2011

ATTACHMENT II

REGION Project	June 2009 Adopted Budget	WSIP Commission Budget, June 2011	Requested Appropriation (Deappropriation)
<b>SYSTEM WIDE REGION</b>	<b>\$189,757,910</b>	<b>\$253,945,595</b>	<b>\$64,187,685</b>
CUW38302 SYSTEM SECURITY UPGRADE	0	16,667,553	16,667,553
CUW388 01 ENVIRONMENTAL IMPACT PROJECT (PEIR)	11,086,441	10,730,307	(356,134)
CUW388 02 HABITAT RESERVE PROGRAM	48,146,219	89,805,677	41,659,458
CUW392 PROGRAM MANAGEMENT SERVICES - WSIP	110,525,250	118,742,058	6,216,808
CUW394 WATERSHED ENVIRONMENTAL IMPROVEMENTS	20,000,000	20,000,000	0
<b>WATER SUPPLY PROJECTS</b>	<b>231,088,110</b>	<b>281,312,534</b>	<b>50,224,424</b>
CUW30101 LAKE MERCED WATER LEVEL RESTORATION	32,667,508	32,667,508	0
CUW30102 SAN FRANCISCO GROUNDWATER SUPPLY	38,700,004	61,557,004	22,857,000
CUW30201 RECYCLED WATER PROJECT SAN FRANCISCO	125,922,889	155,141,689	29,219,000
CUW30202 RECYCLED WATER PROJECT PACIFICA (Closed)	348,207	0	(348,207)
CUW30204 HARDING PARK RECYCLED WATER	9,611,818	9,046,133	(565,685)
CUW30205 SAN FRANCISCO EASTSIDE RECYCLED WATER	22,900,000	22,900,000	0
CUW390 SF BAY AREA DESALINATION PLANT	937,684	0	(937,684)
<b>SAN FRANCISCO REGIONAL WATER SYSTEM PROJECTS</b>	<b>160,330,360</b>	<b>194,089,200</b>	<b>33,758,840</b>
CUW30103 REGIONAL GROUNDWATER STORAGE/RECOVERY	49,848,731	85,291,731	35,443,000
CUW358 SUNSET RES - UPGRADE/REHAB NORTH BASIN	84,334,929	84,374,385	39,456
CUW372 U MOUND RES - UPGRADE (NORTH BASIN)	46,146,700	44,423,084	(1,723,616)
<b>SAN FRANCISCO LOCAL RESERVOIRS</b>	<b>109,708,947</b>	<b>112,118,736</b>	<b>2,409,789</b>
CUW307 SUMMIT RES REHAB/SEISMIC UPGRADE	13,050,000	13,050,000	0
CUW319 HUNTERS POINT RES REHAB/SEISMIC UPGRADE	8,925,000	3,597,000	(5,328,000)
CUW334 STANFORD HEIGHTS RES REHAB/UPGRADE	24,110,000	23,835,000	(475,000)
CUW335 POTRERO HEIGHTS RES REHAB/UPGRADE	6,838,947	6,838,736	(2,211)
CUW337 SUTRO RES - REHAB/SEISMIC UPGRADE	56,785,000	65,000,000	8,215,000
<b>SUNOL VALLEY WATER SYSTEM IMPROVEMENT PROJECTS</b>	<b>1,053,987,667</b>	<b>1,056,068,081</b>	<b>9,080,414</b>
CUW352 ALAMEDA CREEK FISHERY ENHANCEMENT	21,855,361	45,748,807	23,891,446
CUW355 STANDBY POWER FAC VARIOUS LOCATIONS	13,110,232	12,947,780	(162,452)
CUW359 IRVINGTON TUNNEL ALTERNATIVES	398,585,442	375,070,477	(20,714,965)
CUW370 PIPELINE REPAIR & READINESS IMPROVEMENTS	5,407,880	5,205,493	(202,387)
CUW374 CALAVERAS DAM REPLACEMENT	450,337,994	472,195,535	21,857,541
CUW381 SVWTP EXPANSION/TREATED WATER RESERVOIR	144,907,028	126,419,186	(14,287,842)
CUW382 SVWTP TREATED WATER RES PRE PLAN/DESIGN	5,070,808	5,057,035	(13,773)
CUW386 SAN ANTONIO PUMP STATION UPGRADE	14,712,922	13,425,768	(1,287,154)
<b>Subtotal: WSIP Regions</b>	<b>\$1,744,872,994</b>	<b>\$1,897,534,146</b>	<b>\$159,661,152</b>
<b>NEW WSIP PROGRAM-WIDE RESERVE</b>	<b>N/A</b>	<b>\$161,431,097</b>	<b>\$144,459,649</b>
<b>TOTAL</b>	<b>\$1,744,872,994</b>	<b>\$2,058,965,243</b>	<b>\$304,120,801</b>

**ATTACHMENT A - Re-appropriation of Water System Improvement Projects (WSIP)**

Project	Current WSIP Appropriation, based on June 2009 Adopted Budget		Portion on Board Reserve		Portion on Controller's Reserve		WSIP Commission Adopted Budget, June 2011		Requested Changes to Appropriation
	2009 Adopted Budget	2009 Adopted Budget	Board Reserve	Reserve	Controller's Reserve	Reserve	Adopted Budget, June 2011	2011 Appropriation	
<b>SAN JOAQUIN WATER SYSTEM IMPROVEMENT PROJECTS</b>									
CUW364 LAWRENCE LIVERMORE SUPPLY IMPROVEMENTS	3,900,231	0	0	0	0	0	4,205,166	304,935	
CUW373 SAN JOAQUIN PIPELINE SYSTEM	309,907,722	29,000,292	29,000,292	65,148,445	0	0	225,850,976	(84,056,746)	
CUW384 TESLA TREATMENT FACILITY	114,162,348	0	0	0	0	0	110,683,233	(3,479,115)	
CUW387 TESLA PORTAL DISINFECTION STATION	2,082,155	0	0	0	0	0	2,081,278	(877)	
<b>SAN JOAQUIN WATER SYSTEM IMPROVEMENT PROJECTS</b>	<b>430,052,456</b>	<b>29,000,292</b>	<b>29,000,292</b>	<b>65,148,445</b>	<b>0</b>	<b>0</b>	<b>342,820,653</b>	<b>(87,231,803)</b>	
<b>SUNOL VALLEY WATER SYSTEM IMPROVEMENT PROJECTS</b>									
CUW352 ALAMEDA CREEK FISHERY ENHANCEMENT	21,855,361	15,314,352	15,314,352	0	0	0	45,746,807	23,891,446	
CUW355 STANDBY POWER FAC VARIOUS LOCATIONS	13,110,232	0	0	0	0	0	12,947,780	(162,452)	
CUW359 IRVINGTON TUNNEL ALTERNATIVES	398,585,442	0	0	0	0	0	375,070,477	(23,514,965)	
CUW370 PIPELINE REPAIR & READINESS IMPROVEMENTS	5,407,880	0	0	0	0	0	5,205,493	(202,387)	
CUW374 CALAVERAS DAM REPLACEMENT	450,337,994	54,112,380	54,112,380	0	0	0	472,195,535	21,857,541	
CUW381 SWWTP EXPANSION/TREATED WATER RESERVOIR	144,907,028	0	0	0	0	0	126,419,186	(18,487,842)	
CUW382 SWWTP TREATED WATER RES PRE PLAN/DESIGN	5,070,808	0	0	0	0	0	5,057,035	(13,773)	
CUW386 SAN ANTONIO PUMP STATION UPGRADE	14,712,922	0	0	0	0	0	13,425,768	(1,287,154)	
<b>SUNOL VALLEY WATER SYSTEM IMPROVEMENT PROJECTS</b>	<b>1,053,987,667</b>	<b>69,426,732</b>	<b>69,426,732</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,056,068,081</b>	<b>2,080,414</b>	
<b>BAY DIVISION WATER SYSTEM IMPROVEMENT PROJECTS</b>									
CUW353 SEISMIC UPGRADE BDPL @ HAYWARD FAULT	112,924,498	0	0	62,136,142	0	0	119,214,369	6,289,871	
CUW363 INSTALLATION OF SCADA SYSTEM PH II	27,612,864	0	0	0	0	0	10,420,832	(17,192,032)	
CUW368 BDPL HYDRAULIC RELIABILITY UPGRADE	600,174,492	0	0	0	0	0	517,500,452	(82,674,040)	
CUW380 BDPL NO 3&4 CROSS CONNECTION	33,944,441	0	0	0	0	0	33,253,264	(691,177)	
CUW389 EBMUD INTERTIE	8,429,072	0	0	0	0	0	9,559,755	1,130,683	
CUW393 BDPL#4 CONDITION ASSESSMENT PCCP SECTION	2,028,308	0	0	0	0	0	1,966,891	(61,417)	
<b>BAY DIVISION WATER SYSTEM IMPROVEMENT PROJECTS</b>	<b>785,113,675</b>	<b>0</b>	<b>0</b>	<b>62,136,142</b>	<b>0</b>	<b>0</b>	<b>691,915,563</b>	<b>(93,198,112)</b>	
<b>PENINSULA WATER SYSTEM IMPROVEMENT PROJECTS</b>									
CUW354 LOWER CRYSTAL SPRINGS DAM IMPROVEMENTS	36,253,097	0	0	0	0	0	33,510,000	(2,743,097)	
CUW356 NEW CRYSTAL SPRINGS BYPASS TUNNEL	94,608,996	0	0	0	0	0	86,444,995	(8,164,001)	
CUW357 ADIT LEAK REPAIRS (CS/CALV RES)	2,792,885	0	0	0	0	0	2,787,322	(5,563)	
CUW361 PULGAS BALANCING RESERVOIR REHAB	34,099,826	0	0	0	0	0	32,322,579	(1,777,247)	
CUW365 CROSS CONNECTION CONTROLS	3,802,674	0	0	0	0	0	3,965,943	163,269	
CUW366 HTWTP SHORT TERM IMPROVEMENTS PH A	24,038,226	0	0	0	0	0	23,096,308	(941,918)	
CUW36701 HTWTP LONG TERM IMPROVEMENTS	359,063,409	94,201,709	94,201,709	0	0	0	276,896,409	(82,167,000)	
CUW36702 PENINSULA PIPELINE SEISMIC UPGRADE	15,000,000	10,242,545	10,242,545	0	0	0	30,616,959	15,616,959	
CUW369 CAPUCHINO VALVE LOT CAPACITY IMPROVEMENT	2,818,378	0	0	0	0	0	2,803,153	(15,225)	
CUW371 CRYSTAL SPRINGS/SAN ANDREAS UPGRADE	192,070,722	33,959,302	33,959,302	0	0	0	164,722,000	(27,348,722)	
CUW378 CRYSTAL SPRINGS PL #2 REPLACE (IN CITY)	71,243,333	0	0	0	0	0	57,469,321	(13,774,012)	
CUW379 SAN ANDREAS #3 PIPELINE INSTALLATION	31,903,033	0	0	0	0	0	29,910,051	(1,992,982)	
CUW391 BADEN AND SAN PEDRO VALVE LOT	27,089,503	0	0	0	0	0	27,110,368	20,865	
<b>PENINSULA WATER SYSTEM IMPROVEMENT PROJECTS</b>	<b>894,784,082</b>	<b>138,373,556</b>	<b>138,373,556</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>771,655,408</b>	<b>(123,128,674)</b>	

WSIP Supplemental Re-Appropriation

ATTACHMENT A - Re-appropriation of Water System Improvement Projects (WSIP)

Project	Current WSIP Appropriation, based on June 2009 Adopted Budget	Board Reserve	Portion on Controller's Reserve	WSIP Commission Adopted Budget, June 2011	Requested Changes to Appropriation
CUW30103 REGIONAL GROUNDWATER STORAGE/RECOVERY	49,848,731	16,250,288	0	85,291,731	35,443,000
CUW358 SUNSET RES - UPGRADE/REHAB NORTH BASIN	64,334,929	0	0	64,374,385	39,456
CUW372 U MOUND RES - UPGRADE (NORTH BASIN)	46,146,700	0	0	44,423,084	(1,723,616)
<b>SAN FRANCISCO REGIONAL WATER SYSTEM PROJECTS</b>	<b>160,330,360</b>	<b>16,250,288</b>	<b>0</b>	<b>194,089,200</b>	<b>33,758,840</b>
CUW36302 SYSTEM SECURITY UPGRADE	0	0	0	16,667,553	16,667,553
CUW388 01 ENVIRONMENTAL IMPACT PROJECT (PEIR)	11,086,441	0	0	10,730,307	(356,134)
CUW388 02 HABITAT RESERVE PROGRAM	48,146,219	0	0	89,805,677	41,659,458
CUW392 PROGRAM MANAGEMENT SERVICES - WSIP	110,525,250	34,897,331	0	116,742,058	6,216,808
CUW394 WATERSHED ENVIRONMENTAL IMPROVEMENTS	20,000,000	0	12,000,000	20,000,000	0
<b>SYSTEM WIDE REGION</b>	<b>189,757,910</b>	<b>34,897,331</b>	<b>12,000,000</b>	<b>253,945,595</b>	<b>64,187,685</b>
<b>TOTAL REGIONAL PROJECTS</b>	<b>3,514,026,150</b>	<b>287,948,199</b>	<b>139,284,587</b>	<b>3,310,494,500</b>	<b>(203,531,650)</b>
CUW307 SUMMIT RES REHAB/SEISMIC UPGRADE	13,050,000	0	0	13,050,000	0
CUW319 HUNTERS POINT RES REHAB/SEISMIC UPGRADE	8,925,000	0	5,500,000	3,597,000	(5,328,000)
CUW334 STANFORD HEIGHTS RES REHAB/UPGRADE	24,110,000	0	0	23,635,000	(475,000)
CUW335 POTRERO HEIGHTS RES REHAB/UPGRADE	6,838,947	0	0	6,836,736	(2,211)
CUW337 SUTRO RES - REHAB/SEISMIC UPGRADE	56,785,000	0	15,659,572	65,000,000	8,215,000
<b>SAN FRANCISCO LOCAL RESERVOIRS</b>	<b>109,708,947</b>	<b>0</b>	<b>21,159,572</b>	<b>112,118,736</b>	<b>2,409,789</b>
CUW306 CROCKER AMAZON PUMP STATION UPGRADE	4,126,498	0	0	4,126,498	0
CUW309 LAKE MERCED PUMP STATION UPGRADE	49,340,000	0	0	47,292,400	(2,047,600)
CUW314 LA GRANDE TANK REHAB/SEISMIC UPGRADE	6,987,728	0	0	6,987,728	0
CUW318 FOREST HILL TANK REHAB/SEISMIC UPGRADE	2,936,199	0	0	2,936,199	0
CUW320 FOREST HILL PUMP STATION UPGRADE	7,200,000	0	0	7,583,000	383,000
CUW321 FOREST KNOLLS PUMP STATION UPGRADE	6,395,000	0	0	6,245,000	(150,000)
CUW322 LINCOLN PARK PUMP STATION UPGRADE	4,341,621	0	0	4,345,215	3,594
CUW323 MCLAREN PARK PUMP STATION UPGRADE	29,352,400	0	0	29,210,000	(142,400)
CUW324 MOUNT DAVIDSON PUMP STATION UPGRADE	4,573,500	0	0	4,578,500	5,000
CUW325 PALO ALTO PUMP STATION UPGRADE	6,484,000	0	0	6,254,000	(230,000)
CUW326 SKY VIEW/AQUA VISTA PUMP ST UPGRADES	4,920,000	0	0	4,751,094	(168,906)
CUW327 SUMMIT PUMP STATION UPGRADE	6,531,105	0	0	6,546,113	15,008
CUW328 MCLAREN #1 TANK REHAB/SEISMIC UPGRADE	4,684,430	0	0	4,659,910	(24,520)
CUW329 POTRERO HEIGHTS TANK REHAB/UPGRADE	1,084,863	0	0	1,084,863	0
CUW330 FOREST KNOLLS TANK REHAB/UPGRADE	3,675,000	0	0	3,575,000	(100,000)
CUW331 LINCOLN PARK TANK REHAB/SEISMIC UPGRADE	2,690,656	0	0	2,690,656	0
CUW332 MCLAREN #2 TANK REHAB/SEISMIC UPGRADE	4,459,119	0	0	4,458,201	(918)
CUW333 MOUNT DAVIDSON TANK REHAB/UPGRADE	2,894,000	0	0	2,829,000	(65,000)

**ATTACHMENT A - Re-appropriation of Water System Improvement Projects (WSIP)**

Project	Current WSIP Appropriation, based on June 2009 Adopted Budget		Portion on Board Reserve		Portion on Controller's Reserve		WSIP Commission Adopted Budget, June 2011		Requested Changes to Appropriation
	Appropriation, based on June 2009 Adopted Budget	Board Reserve	Controller's Reserve	WSIP Commission Adopted Budget, June 2011	Requested Changes to Appropriation				
CUW338 LE GRANDE PUMP STATION UPGRADE	7,205,000	0	0	0	5,225,000	(1,980,000)			
CUW339 POTRERO HEIGHTS PUMP STATION UPGRADE	605,670	0	0	0	605,670	0			
CUW340 VISTA FRANCISCO PUMP STATION UPGRADE	6,950,900	0	0	0	5,212,600	(1,738,300)			
CUWSLP SF LOCAL PUMP STATIONS/TANKS	0	0	0	0	0	0			
<b>SAN FRANCISCO LOCAL PUMP STATION/TANKS</b>	<b>167,437,689</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>161,196,647</b>	<b>(6,241,042)</b>			
CUW304 NORTH UNIVERSITY MOUND SYSTEM UPGRADE	12,850,000	0	0	0	11,450,000	(1,400,000)			
CUW308 KEY MOTORIZED/OTHER CRITICAL VALVES	10,984,746	0	0	0	10,984,746	0			
CUW311 SUNSET CIRCULATION IMPROVEMENTS	6,983,984	0	0	0	7,073,054	89,070			
CUW312 LINCOLN WAY TRANSMISSION LINE	13,950,000	0	0	0	13,950,000	0			
CUW313 NOE VALLEY TRANSMISSION MAIN PH2	7,382,000	0	0	0	5,657,000	(1,725,000)			
CUW315 EAST WEST TRANSMISSION MAIN	28,600,000	0	0	0	27,755,000	(845,000)			
CUW316 FULTON@6TH 30" MAIN REPLACEMENT	4,707,759	0	0	0	4,713,931	6,172			
CUWSLV SF LOCAL PIPELINES VALVES	0	0	0	0	0	0			
<b>SAN FRANCISCO LOCAL PIPELINE/VALVES</b>	<b>85,458,489</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>81,583,731</b>	<b>(3,874,758)</b>			
CUW303 VEHICLE SERVICE & FACILITY UPGRADE	4,461,400	0	0	0	4,043,540	(417,860)			
CUW305 FIRE PROTECTION AT CDD	1,675,476	0	0	0	1,675,476	0			
<b>SAN FRANCISCO LOCAL MISCELLANEOUS</b>	<b>6,136,876</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,719,016</b>	<b>(417,860)</b>			
CUW30101 LAKE MERCED WATER LEVEL RESTORATION	32,667,508	22,407,134	0	0	32,667,508	0			
CUW30102 SAN FRANCISCO GROUNDWATER SUPPLY	38,700,004	0	24,877,545	0	61,557,004	22,857,000			
CUW30201 RECYCLED WATER PROJECT SAN FRANCISCO	125,922,889	91,608,000	0	0	155,141,889	29,219,000			
CUW30202 RECYCLED WATER PROJECT PACIFICA (Closed)	348,207	0	0	0	0	(348,207)			
CUW30204 HARDING PARK RECYCLED WATER	9,611,818	0	0	0	9,046,133	(565,685)			
CUW30205 SAN FRANCISCO EASTSIDE RECYCLED WATER	22,900,000	0	0	0	22,900,000	0			
CUW390 SF BAY AREA DESALINATION PLANT	937,684	0	0	0	0	(937,684)			
<b>WATER SUPPLY PROJECTS</b>	<b>231,088,110</b>	<b>114,015,134</b>	<b>24,877,545</b>	<b>0</b>	<b>281,312,534</b>	<b>50,224,424</b>			
<b>TOTAL LOCAL PROJECTS</b>	<b>599,830,111</b>	<b>114,015,134</b>	<b>46,037,117</b>	<b>0</b>	<b>641,930,664</b>	<b>42,100,553</b>			
<b>TOTAL WSIP PROJECTS</b>	<b>4,113,856,261</b>	<b>401,963,333</b>	<b>185,321,704</b>	<b>0</b>	<b>3,952,425,164</b>	<b>(161,431,097)</b>			
CUW300 BOND/COMMERCIAL PAPER EXPENSE	471,700,000	170,791,910	0	0	471,700,000	0			
PROGRAM RESERVE	0	0	0	0	161,431,097	161,431,097			
<b>TOTAL - WATER SYSTEM IMPROVEMENT PROGRAM</b>	<b>4,585,556,261</b>	<b>572,755,243</b>	<b>185,321,704</b>	<b>0</b>	<b>4,585,556,261</b>	<b>0</b>			

**ATTACHMENT B - Reserves**

<b>Project</b>	<b>Existing Board Reserve</b>	<b>Existing Controller's Reserve</b>	<b>Total</b>	<b>Requested New Controller's Reserve</b>
CUW373 SAN JOAQUIN PIPELINE SYSTEM	29,000,292	65,148,445	94,148,737	0
CUW36701 HTWTP LONG TERM IMPROVEMENTS	94,201,709	0	94,201,709	0
CUW371 CRYSTAL SPRINGS/SAN ANDREAS UPGRADE	33,929,302	0	33,929,302	0
<b>PENINSULA WATER SYSTEM IMPROVEMENT PROJECTS</b>	<b>128,131,011</b>	<b>0</b>	<b>128,131,011</b>	<b>0</b>
CUW38802 HABITAT RESERVE PROGRAM	0	0	0	41,659,458
<b>TOTAL REGIONAL PROJECTS</b>	<b>157,131,303</b>	<b>65,148,445</b>	<b>222,279,748</b>	<b>41,659,458</b>
CUW319 HUNTERS POINT RES REHAB/SEISMIC UPGRADE	0	5,500,000	5,500,000	0
CUW30201 RECYCLED WATER PROJECT SAN FRANCISCO	0	0	0	24,689,193
<b>TOTAL LOCAL PROJECTS</b>	<b>0</b>	<b>5,500,000</b>	<b>5,500,000</b>	<b>24,689,193</b>
PROGRAM RESERVE	0	0	0	161,431,097
<b>TOTAL WSIP PROJECTS</b>	<b>157,131,303</b>	<b>70,648,445</b>	<b>227,779,748</b>	<b>227,779,748</b>
CUW300 BOND/COMMERCIAL PAPER EXPENSE	170,791,910	0	0	0
<b>TOTAL - WATER SYSTEM IMPROVEMENT PROGRAM</b>	<b>327,923,213</b>	<b>70,648,445</b>	<b>227,779,748</b>	<b>227,779,748</b>