

PUBLIC UTILITIES COMMISSION

City and County of San Francisco

RESOLUTION NO. 25-0172

WHEREAS, The San Francisco Public Utilities Commission (SFPUC) and the City of Daly City (Daly City) are working collaboratively towards Daly City's implementation of the Vista Grande Drainage Basin Improvement Project (Project) to alleviate flooding in the Vista Grande Basin within Daly City and the SFPUC's Lake Merced Tract, and also facilitate augmentation and management of Lake Merced water levels using sustainable supplies of Daly City's treated stormwater; and

WHEREAS, Daly City's Vista Grande Canal carries treated stormwater from Daly City northward to the SFPUC's Vista Grande Tunnel, which then travels west across lands owned by The Olympic Club and the United States Department of the Interior, acting by and through its National Park Service (Park Service), discharging to the Pacific Ocean, and this diversion of stormwater away from Lake Merced has contributed to its declining water levels; and

WHEREAS, The Vista Grande Canal and Tunnel do not have adequate hydraulic capacity to convey peak stormwater flows to the Pacific Ocean, resulting in storm-related flooding within the Vista Grande Watershed, causing property damage in adjacent low-lying residential areas within the northern portion of Daly City, as well as uncontrolled overflows into Lake Merced from the Vista Grande Canal across John Muir Drive, causing damage to John Muir Drive and associated areas in San Francisco; and

WHEREAS, The Project would route storm water from the Vista Grande Canal through a culvert that would be constructed on SFPUC Parcel No. 55; replace the upstream portion of the Vista Grande Canal with a collection box, a box culvert, a debris screening device, and a diversion structure to handle flows (dry and wet) year-round; construct a treatment wetland; and expand the Vista Grande Tunnel's capacity to better manage the transportation of stormwater to the Pacific Ocean; and

WHEREAS, The Project improvements would allow for treated stormwater to be diverted from the Vista Grande Canal into Lake Merced to achieve a sustained increase in Lake Merced water levels, improve stormwater quality, and further the restoration of the drainage basin's natural hydrology; and

WHEREAS, To implement the Project, Daly City seeks to acquire the following real estate interests, easements, and licenses from the SFPUC: (i) the SFPUC's interests in the existing Vista Grande Tunnel easements on, across, and through San Francisco Assessor's Parcels: Nos. 7284-001, 7284-003, 7282-005, and 7282-006, totaling 46,992 square feet, on the lands owned by The Olympic Club and the Park Service (Tunnel Easements); (ii) an approximately 157,448-square-foot easement for a treatment wetland and stormwater facilities, an approximately 12,404-square-foot easement for a box culvert and stormwater outlet, and approximately 2,057-square-foot easement for a wetland force main, an easement to maintain three existing armored spillway areas totaling approximately 6,644 square feet, and an

approximately 1,457-square-foot easement for a floating and fan-shaped pipeline over Lake Merced on portions of San Francisco Assessor's Parcel No. 7283-004, designated as SFPUC Parcel No. 55 (collectively, the New Easements); (iii) a 50-year License Agreement to construct, operate, and maintain SFPUC-owned overflow facilities at Lake Merced on an approximately 9,286-square-foot portion of SFPUC Parcel. No. 55 (Overflow License); and (iv) a License Amendment to extend the term of SFPUC License No. P4703 for twelve Habitat Mitigation, Monitoring, and Facilities by an additional 5 years, for a total of 10 years and four months (Mitigation License Amendment); and

WHEREAS, SFPUC staff, through consultation with the Office of the City Attorney, have negotiated with Daly City the proposed terms and conditions of City's sale of the Tunnel Easements and New Easements for a purchase price of \$71,000, as set forth in the form of an Agreement for Purchase and Sale of Real Estate (Agreement), Quitclaim Deed, and Easement Deed; and

WHEREAS, Under the Overflow License, Daly City will pay \$2,278 for its use of SFPUC property and under the Mitigation License Amendment, Daly City will pay an additional \$23,503, for a total use fee of \$51,015, for its use of SFPUC property; and

WHEREAS, The amounts to be paid by Daly City are equal to the appraised value of the rights being acquired under each agreement, as determined by an independent third-party appraisal; and

WHEREAS, On December 11, 2017, the City of Daly City acting as the California Environmental Quality Act (CEQA) lead agency, certified a Final Environmental Impact Report/Environmental Impact Study (Final EIR/EIS) for the Vista Grande Drainage Basin Improvement Project (Project) prepared pursuant to the CEQA; and

WHEREAS, On June 9, 2025, the City of Daly City acting as the CEQA lead agency, adopted an Addendum to the Final EIR/EIS for the Project; and

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

WHEREAS, Authorization of the Purchase and Sale Agreement, the 50-Year License, and the License Addendum is within the scope of the Project authorized under the Final EIR/EIS and Addendum; and

WHEREAS, Staff has made the Final EIR/EIS, the Addendum, the CEQA Findings adopted by the City of Daly City, and Mitigation Monitoring and Reporting Program, that are part of the record of this approval available for review by this Commission and the public at the SFPUC offices, Real Estate Services Division, 525 Golden Gate Avenue, 10th Floor, San Francisco, California, and those documents are part of the record before this Commission; and

WHEREAS, This Commission has reviewed and considered the information in the Final EIR/EIS, Addendum, CEQA Findings adopted by the City of Daly City, and Mitigation Monitoring and Reporting Program; and

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

WHEREAS, The SFPUC has no direct authority or responsibility with respect to the proposed Project or any Project mitigation measures other than to enable the City of Daly City, through approval and execution of the Purchase and Sale Agreement, the 50-Year License, and the License Addendum, which collectively constitute the SFPUC's discretionary actions necessary to facilitate implementation of the Vista Grande Drainage Basin Improvement Project by the City of Daly City; now, therefore, be it

RESOLVED, This Commission, acting as a Responsible Agency under the CEQA Guidelines sections 15096 and 15381, has reviewed and considered the Final EIR/EIS and Addendum and the record as a whole, finds that the Final EIR/EIS and Addendum are adequate for its use as Responsible Agency for the Project and adopts the City of Daly City CEQA Findings and incorporates them by this reference as though set forth in this Resolution; and be it

FURTHER RESOLVED, This Commission affirms the determination that since the Final EIR/EIS and Addendum were finalized, there have been no substantive Project changes and no substantial changes in Project circumstances that would require revisions to the Final EIR/EIS or Addendum due to the potential involvement of new significant environmental effects or an increase in the severity of previously identified significant impacts, and there is no new information of substantial importance that would change the conclusions set forth in the Final EIR/EIS and Addendum; and be it

FURTHER RESOLVED, That this Commission hereby ratifies, approves, and authorizes all actions consistent with this Resolution taken to date by any SFPUC personnel to effect that certain Memorandum of Agreement between the SFPUC and Daly City approved by this Commission on July 8, 2025, including but not limited to, issuance of License P4703 for Habitat Mitigation, Monitoring, and Facilities to satisfy conditions of the California Coastal Commission's Coastal Development Permit No. 2-23-0862 for the Project; and, be it

FURTHER RESOLVED, That this Commission hereby approves the terms and conditions of the Purchase and Sale Agreement, Overflow License, and Mitigation License Amendment, and authorizes and directs the General Manager and/or City's Director of Property to execute the Purchase and Sale Agreement, Quitclaim Deed, Easement Deeds, Overflow License, and Mitigation License Amendment (together, the Agreements) subject to the approval of the Board of Supervisors and Mayor; and, be it

FURTHER RESOLVED, That this Commission hereby authorizes the General Manager and/or the City's Director of Property, to enter into any amendments or modifications to the Agreements, including without limitation, the exhibits, that the General Manager determines, in consultation with the City Attorney, are in the best interest of the City; do not materially increase the obligations or liabilities of the City; are necessary or advisable to effectuate the purposes and intent of the Agreements or this resolution; and are in compliance with all applicable laws, including the City Charter.

I hereby certify that the foregoing resolution was adopted by the San Francisco Public Utilities Commission at its meeting of December 9, 2025.



Chynear
Director of Commission Affairs
San Francisco Public Utilities Commission