

File No. 111031

Committee Item No. 11

Board Item No. \_\_\_\_\_

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee

Date: September 28, 2011

Board of Supervisors Meeting

Date \_\_\_\_\_

#### Cmte Board

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| <input type="checkbox"/>            | <input type="checkbox"/> | Legislative Digest                           |
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| <input type="checkbox"/>            | <input type="checkbox"/> | Ethics Form 126                              |
| <input type="checkbox"/>            | <input type="checkbox"/> | Introduction Form (for hearings)             |
| <input checked="" type="checkbox"/> | <input 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: Sept 23, 2011

Completed by: Victor Young

Date: \_\_\_\_\_

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

[Appropriating \$314,092,249 of Water System Improvement Program Project Funds – Controller Reserve of \$227,779,748 - Public Utilities Commission - FY2011-2012]

**Ordinance de-appropriating \$314,092,249 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 \$227,779,748 on Controller reserve subject to completion of project-related analysis pursuant to California Environmental Quality Act (CEQA), where required, and receipt of proceeds of indebtedness, as certified by the Controller for FY2011-2012.**

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

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

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

**Uses De-appropriation**

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

	Fund	Index/Project Code	Subsubject	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	\$82,674,040
12	2002 Prop E Bond Fund	CUW368	Projects	Reliability Upgrade	
13			Budget		
14	5W CPF 02E	*WTR5WCPF02E	06C00 Capital	San Joaquin	\$87,231,803
15	2002 Prop E Bond Fund	CUW373	Projects	Pipeline System	
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	Local Misc.	
		Budget		
<b>Total USES De-appropriation</b>				<b>\$314,092,249</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	\$2,080,414
2002 Prop E Bond	CUWSVI0100	Structures, and	Water System	
Fund		Improvement	Improvement	
		Project-Budget		
5W CPF 02E	*WTR5WCPF02E	06700 Buildings,	San Francisco	\$2,409,789
2002 Prop E Bond	CUWSLR0100	Structures, and	Local Reservoirs	
Fund		Improvement		
		Project-Budget		

1	Fund	Index/Project Code	Subobject	Description	Amount
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		

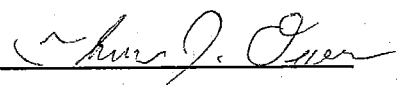
Fund	Index/Project Code	Subobject	Description	Amount
5W CPF 02E	*WTR5WCPF02E	06700 Buildings,	Program	\$161,431,097
2002 Prop E Bond		Structures, and	Reserve	
Fund		Improvement		
		Project-Budget		
<b>Total USES Re-appropriation</b>				<b><u>\$314,092,249</u></b>

Section 3. A total appropriation in the amount of \$227,779,748 is placed on Controller's reserve by project region as indicated by Attachment B. Release of appropriation reserves by the 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.

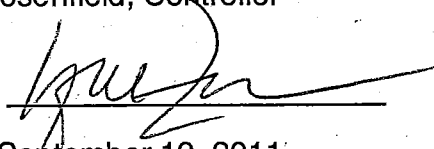
Section 4. The Controller is authorized to record transfers between funds and adjust the accounting treatment of sources and uses appropriated in this Ordinance as necessary to conform with Generally Accepted Accounting Principles. Budgetary control will remain at the Regional Projects Level and Program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

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

By:   
Deputy City Attorney

FUNDS AVAILABLE  
Ben Rosenfield, Controller

By:   
Date: September 19, 2011

<b>Item 11</b> <b>File 11-1031</b>	<b>Department:</b> Public Utilities Commission (PUC)
<b>EXECUTIVE SUMMARY</b>	
<p style="text-align: center;"><b>Legislative Objectives</b></p>	
<p>The proposed supplemental appropriation ordinance would (a) reappropriate \$314,092,249 from existing Water System Improvement Program (WSIP) project budgets, allocating \$152,661,152 to revised WSIP program budgets and \$161,431,097 to a new WSIP Program-wide Reserve Fund, and (b) placing \$227,779,748 on Controller's Reserve subject to completion of requirements pursuant to the California Environmental Quality Act (CEQA).</p>	
<p style="text-align: center;"><b>Key Points</b></p>	
<ul style="list-style-type: none"> <li>• On July 12, 2011, the Public Utilities Commission (PUC) approved the proposed revised Water System Improvement Program (WSIP) budget, to reappropriate \$314,092,249 of the previously approved \$4,113,856,261 total WSIP project costs to reflect the most current estimates for each WSIP project region. With financing costs, the total WSIP budget is \$4,585,556,261.</li> <li>• Savings from the proposed \$314,092,249 reappropriation of the WSIP project region budgets exceeds the proposed WSIP project region budget increases of \$152,661,152 by \$161,431,097. The PUC has proposed placing this balance of \$161,431,097 into a newly created WSIP Program-wide Reserve Fund. The WSIP Program-wide Reserve Fund would be used, subject to WSIP and PUC management approval, to fund future individual WSIP project budget cost increases. Appropriations from the proposed new WSIP Program-wide Reserve Fund would not be subject to further Board of Supervisors appropriation approval.</li> <li>• The Board of Supervisors previously reserved \$157,131,303, pending review and release by the Budget and Finance Committee, of the \$314,092,249 proposed for reappropriation.</li> <li>• According to the PUC, delay or failure to approve the proposed supplemental appropriation ordinance could delay WSIP projects, which in turn could increase overall program costs.</li> </ul>	
<p style="text-align: center;"><b>Fiscal Impact</b></p>	
<ul style="list-style-type: none"> <li>• The proposed supplemental appropriation does not increase the total estimated \$4,113,856,261 WSIP project costs. Instead, the PUC would reappropriate \$314,092,249 from six WSIP project regions with budget surpluses and appropriate \$152,661,152 of the reappropriated funds to five WSIP project regions and the remaining \$161,431,097 to the WSIP Program-wide Reserve Fund.</li> <li>• The proposed supplemental appropriation would place \$227,779,748 on Controller's Reserve, including (1) \$157,131,303 in funds proposed for reappropriation that are currently on Budget and Finance Committee Reserve, and (2) \$70,648,445 in additional WSIP project funds, subject to completion of project-related analysis pursuant to CEQA</li> </ul>	
<p style="text-align: center;"><b>Recommendations</b></p>	
<ol style="list-style-type: none"> <li>1. Because the proposed ordinance would create a new \$161,431,097 WSIP Program-wide Reserve Fund to provide additional funding for WSIP projects with funds to be allocated at the sole discretion of the PUC, without being subject to Board of Supervisors appropriation approval, the Board of Supervisors should either (a) amend the proposed ordinance to delete the \$161,431,097 WSIP Program-wide Reserve Fund, or (b) at a minimum, place the entire \$161,431,097 WSIP Program-wide Reserve Fund on Budget and Finance Committee Reserve.</li> <li>2. Approval of the proposed ordinance, as amended, is a policy matter for the Board of Supervisors.</li> </ol>	



## MANDATE STATEMENT AND BACKGROUND

### Mandate Statement

In accordance with City Charter Section 9.105, amendments to the appropriation ordinance, as finally adopted, may be adopted in the same manner as other ordinances. Under City Charter Section 2.105, passage of an ordinance or a resolution requires an affirmative vote of a majority of the members 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, plus \$471,700,000 in financing costs, for a total cost of \$4,585,556,261. WSIP is funded with PUC Water Revenue Bonds, which will be repaid from water rate revenues paid by PUC water customers.

On July 12, 2011, the PUC approved a revised WSIP budget, reappropriating \$314,092,249, or 7.6 percent of the previously approved \$4,113,856,261 in WSIP project costs, by (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.

According to PUC General Manager Mr. Ed Harrington, the proposed WSIP project budget reappropriations 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 reappropriations.

### *Previously Reserved Funds*

There are existing Budget and Finance Committee Reserves on various WSIP project funds totaling \$419,715,607, as shown in Table 1 below. The \$419,715,607 was placed on Budget and

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

Finance Committee reserve for those WSIP projects exceeding \$100 million, pending review and release by the Budget and Finance Committee (File 10-0337). Of the \$419,715,607 on Budget and Finance Committee Reserve, \$157,131,303 is being requested under the proposed reappropriation, as shown in Table 1 below.

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

Project	Existing Budget and Finance Committee Reserves	Proposed Reappropriation Amount	Remaining Budget and Finance Committee Reserves
San Joaquin Pipeline System	\$29,000,292	\$29,000,292	\$0
Alameda Creek Fishery Enhancement	15,314,352	0	15,314,352
Calaveras Dam Replacement	54,112,380	0	54,112,380
HTWTP Long Term Improvements	94,201,709	94,201,709	0
Peninsula Pipeline Seismic Upgrade	10,242,545	0	10,242,545
Crystal Springs/San Andreas Upgrade	33,929,302	33,929,302	0
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
Recycled Water Project San Francisco	91,608,000	0	91,608,000
<b>Total WSIP Projects</b>	<b>\$419,715,607</b>	<b>\$157,131,303</b>	<b>\$262,584,304</b>

## DETAILS OF PROPOSED LEGISLATION

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, \$314,092,249 of the previously approved \$4,113,856,261 total WSIP project costs (excluding financing costs) would be reappropriated in order to (a) reduce the project budgets in six of the 11 WSIP project regions for a total reduced cost of \$314,092,249; (b) increase the project budgets in five of the 11 WSIP project regions for a total increased cost of \$152,661,152; (c) create a new \$161,431,097 WSIP Program-wide Reserve Fund, and (d) place \$227,779,748 (which is presently, in part, on Budget and Finance Committee Reserve) on a Controller's Reserve subject to completion of project-related analysis pursuant to the California Environmental Quality Act (CEQA), as certified by the Controller for Fiscal Year 2011-2012.

### *Decreased Costs for Six WSIP Project Regions*

Under the proposed ordinance, six of the eleven WSIP project region's budgets would be reappropriated for a total savings of \$314,092,249, \$157,131,303 of which is currently on Budget and Finance Committee Reserve. Attachment I provides a project-by-project breakdown of the six WSIP project regions subject to the proposed reappropriation.

*Increased Costs for Five WSIP Project Regions*

Under the proposed ordinance, the budgets for the remaining five of the eleven WSIP project regions would increase by a total of \$152,661,152, because of 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 and the requested appropriation amounts totaling \$152,661,152.

*New WSIP Program-wide Reserve Fund*

The PUC is requesting to place \$161,431,097, the balance resulting from the proposed \$314,092,249 WSIP project budget reappropriation, less the \$152,661,152 in proposed additional WSIP project region costs, into a newly created WSIP Program-wide Reserve Fund. In accordance with the proposed ordinance, monies in this new WSIP Program-wide Reserve Fund would be allocated to WSIP projects at the PUC's sole discretion, without obtaining further Board of Supervisors appropriation approval.

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. In addition, Mr. Bajwa advises that the proposed WSIP Program-wide Reserve Fund could be increased by the PUC, without further Board of Supervisors appropriation approval, above the requested \$161,431,097, if (a) the value of construction contracts awarded in the future are less than the budget allocated for the work, or (b) a WSIP project is completed with surplus funds remaining in the project.

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. According to Ms. Labonte, although not subject to Board of Supervisors appropriation approval,

- Each WSIP project requesting the use of funds from the WSIP Program-wide Reserve Fund would require the following approvals:
  - Cumulative Changes below \$1 million: WSIP Director;
  - Cumulative Changes between \$1 million and \$5 million: WSIP Director and the PUC Assistant General Manager of Infrastructure; and
  - Cumulative Changes above \$5 million: WSIP Director, PUC Assistant General Manager of Infrastructure, and the PUC General Manager.
- All changes would also comply with the requirements of the City's Administrative Code, which specify when PUC approval is required.

Approval by the Board of Supervisors would continue to be required subject to the City's Charter, such as for the approval of a professional services agreement in excess of \$10,000,000 or a modification of such an agreement in an amount of \$500,000 or more.

### *Placing Funds on Controller's Reserve*

Under the proposed ordinance, \$227,779,748 would be placed on Controller's Reserve. This Controller's Reserve includes \$157,131,303 in funds proposed for reappropriation that are currently on Budget and Finance Committee Reserve (see Table 1 above). Additional WSIP project funds totaling \$70,648,445 would also be applied to the proposed Controller's Reserve, for a total Controller's Reserve amount of \$227,779,748. The WSIP projects that would be placed on the \$227,779,748 Controller's Reserve are the Habitat Reserve Program (\$41,659,458), the San Francisco Recycled Water Project (\$24,689,193), and the proposed WSIP Program-wide Reserve Fund (\$161,431,097).

The \$227,779,748 would be held on Controller's Reserve subject to completion of project-related analysis pursuant to the California Environmental Quality Act (CEQA). Funds would be released by the Controller from reserve for use by the PUC, subject to the (1) the PUC's and the Board of Supervisors' discretionary approval of CEQA findings for individual WSIP projects, following review and consideration of completed project related environmental analysis, pursuant to CEQA, the State CEQA Guidelines, and Chapter 31 of the City's Administrative Code, where required, and (2) the Controller's certification of available funds. According to PUC Budget Director Mr. Carlos Jacobo, the PUC expects to receive the requisite WSIP project CEQA approvals over the next two years, subject to future Board of Supervisors approval.

## **FISCAL IMPACTS**

The six WSIP project regions with net surpluses totaling \$314,092,249 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 Proposed for Reappropriation**

<b>WSIP Project Region</b>	<b>Source Amount</b>
Peninsula Water System Improvement Projects	\$123,128,674
Bay Division Water System Improvement Projects	93,198,112
San Joaquin Water System Improvement Projects	87,231,803
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>\$314,092,249</b>

Source: PUC

Under the proposed ordinance, the PUC would reappropriate the total of \$314,092,249 shown in Table 2 above to other WSIP project deficits and a requested new WSIP Program-wide Reserve Fund. As shown in Table 3 below, \$161,431,097 would be appropriated to a new WSIP Program-wide Reserve Fund and \$152,661,152 would be appropriated to five WSIP project

regions that currently have estimated net project deficits. Attachment II provides a project-by-project breakdown for these five WSIP project regions totaling \$152,661,152.

**Table 3: Uses of Funds, by WSIP Region**

Uses	Use Amount
New WSIP Program-wide Reserve Fund	\$161,431,097
WSIP Project Regions	
System Wide Region	\$64,187,685
Water Supply Projects	50,224,424
San Francisco Regional Water System Projects	33,758,840
San Francisco Local Reservoirs	2,409,789
Sunol Valley Water System Improvement Projects	2,080,414
<i>WSIP Project Regions Subtotal (see Attachment II)</i>	<i>\$152,661,152</i>
<b>Total</b>	<b>\$314,092,249</b>

Source: PUC

## POLICY CONSIDERATIONS

### **The Proposed New \$161,431,097 WSIP Program-wide Reserve Fund Would Not Be Subject to Future Board of Supervisors Appropriation Approval**

As discussed above, the proposed ordinance would create a new \$161,431,097 WSIP Program-wide Reserve Fund, for use by the PUC for funding future changes to existing WSIP projects. Any appropriations from this newly created WSIP Program-wide Reserve Fund would be subject to PUC management approval, according to the size of the appropriation, as described above. As noted above, the proposed WSIP Program-wide Reserve Fund could also be increased by the PUC, without obtaining further Board of Supervisors appropriation approval, above the currently requested \$161,431,097, if future construction contracts or WSIP projects are completed for less than the current June 2011 estimates, resulting in surplus funds becoming available. Monies from this Fund would be allocated at the PUC's sole discretion, without being subject to Board of Supervisors appropriation approval.

In accordance with Section 9.118 of the City's Charter, the PUC would still require Board of Supervisors approval of any new construction management agreement of \$10,000,000 or greater, or a modification of \$500,000 or more of such an agreement. However, the PUC would not be required to obtain Board of Supervisors appropriation approval to reallocate additional excess funds from various projects into this new Reserve Fund or to use the proposed WSIP Program-wide Reserve Fund to pay for change orders to an existing WSIP project construction contract, provided there were sufficient funds in the WSIP Program-wide Reserve Fund to pay for those change orders.

### **The Proposed Ordinance Would Transfer \$157,131,303 from Budget and Finance Committee Reserve to Controller's Reserve**

As discussed above, the proposed ordinance would reappropriate \$157,131,303 in WSIP project funds that are currently on Budget and Finance Committee Reserve. These funds were placed on

Budget and Finance Committee reserve pending review and release by the Budget and Finance Committee. As part of the proposed ordinance, \$157,131,303 would be transferred to a Controller's Reserve, as part of an overall new Controller's Reserve totaling \$227,779,748. As discussed above, the \$227,779,748 would be held on Controller's Reserve subject to completion of project-related analysis pursuant to the California Environmental Quality Act (CEQA). However, the Board of Supervisors would be required to approve the WSIP project CEQA findings.

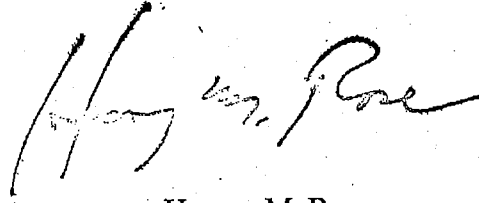
### **Delay or Inaction on the Proposed Ordinance Would Impact Five Separate Proposed Amendments Under Board of Supervisors Consideration**

According to Ms. Labonte, delay or inaction on the proposed supplemental appropriation ordinance could delay the delivery of WSIP projects, which in turn would increase overall program costs. Mr. Bajwa adds, "A delay in action on this supplemental appropriation will impact the professional services contract amendments addressed in Files 11-0870, 11-0871, 11-0872, 11-0874, and 11-0875. Without these amendments the design and construction of key projects will be impacted. These amendments are needed for the design completion of few projects still in design and others for the essential design support during construction such as the Sunol Valley Water Treatment Plant Expansion and Treated Water Reservoir."

However, the Budget and Legislative Analyst notes that a delay in appropriating these funds is a separate decision from the creation of the new WSIP Program-wide Reserve Fund, which would not be subject to future Board of Supervisors appropriation approval.

## **RECOMMENDATIONS**

1. Because the proposed ordinance would create a new \$161,431,097 WSIP Program-wide Reserve Fund to provide additional funding for WSIP projects with funds to be allocated at the sole discretion of the PUC, without being subject to Board of Supervisors appropriation approval, the Board of Supervisors should either (a) amend the proposed ordinance to delete the \$161,431,097 WSIP Program-wide Reserve Fund, or (b) at a minimum, place the entire \$161,431,097 WSIP Program-wide Reserve Fund on Budget and Finance Committee Reserve.
2. Approval of the proposed ordinance, as amended, is a policy matter for the Board of Supervisors.



Harvey M. Rose

cc: Supervisor Chu  
Supervisor Mirkarimi  
Supervisor Kim  
President Chiu  
Supervisor Avalos  
Supervisor Campos  
Supervisor Cohen  
Supervisor Elsbernd  
Supervisor Farrell  
Supervisor Mar  
Supervisor Wiener  
Clerk of the Board  
Cheryl Adams  
Controller  
Rick Wilson

WSIP Budget Summary as of 8/1/2011

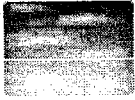
ATTACHMENT I


REGION	June 2009 Adopted Budget	WSIP Commission Budget, June 2011	Requested Appropriation (Deappropriation)
Project			
<b>PENINSULA WATER SYSTEM IMPROVEMENT PROJECTS</b>	<b>894,784,082</b>	<b>771,855,405</b>	<b>(123,128,677)</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	3,802,874	3,985,943	163,269
CUW368 HTWTP SHORT TERM IMPROVEMENTS PH A	24,038,228	23,096,308	(941,918)
CUW36701 HTWTP LONG TERM IMPROVEMENTS	359,063,409	276,896,409	(82,167,000)
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>691,915,563</b>	<b>(93,198,112)</b>
CUW353 SEISMIC UPGRADE BDPL @ HAYWARD FAULT	112,924,498	119,214,369	6,289,871
CUW363 INSTALLATION OF SCADA SYSTEM PH II	27,812,884	10,420,832	(17,192,032)
CUW368 BDPL HYDRAULIC RELIABILITY UPGRADE	600,174,492	517,600,452	(82,674,040)
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	1,956,891	(61,417)
<b>SAN JOAQUIN WATER SYSTEM IMPROVEMENT PROJECTS</b>	<b>430,052,466</b>	<b>342,820,653</b>	<b>(87,231,813)</b>
CUW364 LAWRENCE LIVERMORE SUPPLY IMPROVEMENTS	3,900,231	4,205,166	304,935
CUW373 SAN JOAQUIN PIPELINE SYSTEM	309,907,722	225,850,976	(84,056,746)
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>167,437,689</b>	<b>161,196,647</b>	<b>(6,241,042)</b>
CUW308 CROCKER AMAZON PUMP STATION UPGRADE	4,126,498	4,126,498	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)
CUWSLP SF LOCAL PUMP STATIONS/TANKS	0	0	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)
CUW316 FULTON@8TH 30" MAIN REPLACEMENT	4,707,759	4,713,931	6,172
CUWSLV SF LOCAL PIPELINES VALVES	0	0	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>\$2,054,891,015</b>	<b>(\$314,092,252)</b>



WSIP Budget Summary as of 8/1/2011

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>
CUW36302 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	116,742,058	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	155,141,889	29,219,000
CUW30202 RECYCLED WATER PROJECT PACIFICA (Closed)	348,207	0	(348,207)
CUW30204 HARDING PARK RECYCLED WATER	9,811,818	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	64,334,929	64,374,385	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>112,116,736</b>	<b>2,407,789</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	23,635,000	(475,000)
CUW335 POTRERO HEIGHTS RES REHAB/UPGRADE	6,838,947	6,836,736	(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>1,056,066,081</b>	<b>2,080,414</b>
CUW352 ALAMEDA CREEK FISHERY ENHANCEMENT	21,855,361	45,748,807	23,893,446
CUW355 STANDBY POWER FAC VARIOUS LOCATIONS	13,110,232	12,947,780	(162,452)
CUW359 IRVINGTON TUNNEL ALTERNATIVES	398,585,442	375,070,477	(23,514,965)
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	128,419,186	(16,487,842)
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	13,425,788	(1,287,154)
<b>Subtotal: WSIP Regions</b>	<b>\$1,744,872,994</b>	<b>\$1,897,534,146</b>	<b>\$152,661,152</b>
<b>NEW WSIP PROGRAM-WIDE RESERVE</b>	<b>N/A</b>	<b>\$161,431,097</b>	<b>\$161,431,097</b>
<b>TOTAL</b>	<b>\$1,744,872,994</b>	<b>\$2,058,965,243</b>	<b>\$314,092,249</b>



Re: Budget Agenda for 9/28/11 - Final   
Jason Elliott to: Victor Young

09/23/2011 09:31 AM

Hi Victor - could you please send me your copies of the 126s for the following file numbers. Thanks!

110870  
110871  
111005

Jason Elliott  
Legislative Director  
Office of Mayor Edwin M. Lee  
W: (415) 554-5105  
C: (415) 238-4432  
Jason.Elliott@sfgov.org

Victor Young	No special noticing required. Please note issue...	09/23/2011 08:39:39 AM
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From: Victor Young/BOS/SFGOV  
To: Katy Tang/BOS/SFGOV@SFGOV  
Cc: Debra Newman/BudgetAnalyst/SFGOV@SFGOV, Gabriela Loeza/BudgetAnalyst/SFGOV@SFGOV, Monique Zmuda/CON/SFGOV@SFGOV, Allie Fisher/CTYATT@CTYATT, Severin Campbell/BudgetAnalyst/SFGOV@SFGOV, Rick Wilson/MAYOR/SFGOV@SFGOV, Cheryl Adams/CTYATT@CTYATT, Rick Caldeira/BOS/SFGOV@SFGOV, Angela Calvillo/BOS/SFGOV@SFGOV, Jason Elliott/MAYOR/SFGOV@SFGOV, Naomi Drexler/MAYOR/SFGOV@SFGOV  
Date: 09/23/2011 08:39 AM  
Subject: Budget Agenda for 9/28/11 - Final

[attachment "BGT Agenda 9-28-11 Final.pdf" deleted by Jason Elliott/MAYOR/SFGOV]

No special noticing required. Please note issues with items listed in red.

File No.	126 NA, on-file, Pend, Req	Contract Signed NA, on-file, Need, requested	Description	Missing Documents, Blank Lines, File Corrections needed (Request/Date/Response)
90417	NA	NA	WSIP Update quarterly	Ready to Go.
110870	on file	NA	Engineering Design Agreement	Ready to Go.
110871	on file	NA	Engineering Design Agreement	Ready to Go.
110872	on file	on file	SFPUC Design Contract CS 879-C	Ready to Go.
110874	on file	na	WSIP CS 918	Ready to Go.
110875	on file	na	CS 963 WSIP	Ready to Go.
110960	NA	NA	Authorize Controller to examine State Docs.	Ready to Go.
110961	NA	NA	Consulting Firm to Examine State Docs.	Ready to Go.
110972	on file	on file	Community Health Authority - Payment Services	Ready to Go.
111005	on file	on file (award letter)	Primary and Behavioral Health Care Integration	Ready to Go.
111034	REQUEST	NA	Tax Credit Agreement - SF Jazz Investment \$11,104,275	Need Ethics Form 126.
111031	NA	NA	WSIP Appropriations	Ready to Go

Victor Young  
Assistant Clerk  
Board of Supervisors  
1 Dr. Carlton B. Goodlett Pl., Room 244  
San Francisco CA 94102  
Phone: (415) 554-7723 | Fax: (415) 554-7714  
victor.young@sfgov.org | www.sfbos.org

Complete a Board of Supervisors Customer Satisfaction form by clicking the link below.  
<http://www.sfbos.org/index.aspx?page=104>

**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
	Budget	Adopted	Board Reserve	Reserve	Controller's Reserve	Reserve	Adopted Budget, June 2011	Requested Changes to 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>	
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 SWTP EXPANSION/TREATED WATER RESERVOIR	144,907,028	0	0	0	0	0	126,419,186	(18,487,842)	
CUW382 SWTP 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>	
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>	
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	33,929,302	33,929,302	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>	

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	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	Commission Adopted Budget, June 2011	Requested Changes to Appropriation
CUW338 LE GRANDE PUMP STATION UPGRADE	7,205,000	0	0	5,225,000	(1,980,000)
CUW339 POTRERO HEIGHTS PUMP STATION UPGRADE	605,670	0	0	605,670	0
CUW340 VISTA FRANCISCO PUMP STATION UPGRADE	6,950,900	0	0	5,212,600	(1,738,300)
CUW340 SF LOCAL PUMP STATIONS/TANKS	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>161,196,647</b>	<b>(6,241,042)</b>
CUW304 NORTH UNIVERSITY MOUND SYSTEM UPGRADE	12,850,000	0	0	11,450,000	(1,400,000)
CUW308 KEY MOTORIZED/OTHER CRITICAL VALVES	10,984,746	0	0	10,984,746	0
CUW311 SUNSET CIRCULATION IMPROVEMENTS	6,983,984	0	0	7,073,054	89,070
CUW312 LINCOLN WAY TRANSMISSION LINE	13,950,000	0	0	13,950,000	0
CUW313 NOE VALLEY TRANSMISSION MAIN PH2	7,382,000	0	0	5,657,000	(1,725,000)
CUW315 EAST WEST TRANSMISSION MAIN	28,600,000	0	0	27,755,000	(845,000)
CUW316 FULTON@6TH 30" MAIN REPLACEMENT	4,707,759	0	0	4,713,931	6,172
CUW316 SF LOCAL PIPELINES VALVES	0	0	0	0	0
<b>SAN FRANCISCO LOCAL PIPELINE/VALVES</b>	<b>85,458,489</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	4,043,540	(417,860)
CUW305 FIRE PROTECTION AT CDD	1,675,476	0	0	1,675,476	0
	0	0	0	0	0
<b>SAN FRANCISCO LOCAL MISCELLANEOUS</b>	<b>6,136,876</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	32,667,508	0
CUW30102 SAN FRANCISCO GROUNDWATER SUPPLY	38,700,004	0	24,877,545	61,557,004	22,857,000
CUW30201 RECYCLED WATER PROJECT SAN FRANCISCO	125,922,889	91,608,000	0	155,141,889	29,219,000
CUW30202 RECYCLED WATER PROJECT PACIFICA (Closed)	348,207	0	0	0	(348,207)
CUW30204 HARDING PARK RECYCLED WATER	9,611,818	0	0	9,046,133	(565,685)
CUW30205 SAN FRANCISCO EASTSIDE RECYCLED WATER	22,900,000	0	0	22,900,000	0
CUW390 SF BAY AREA DESALINATION PLANT	937,684	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>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>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>3,952,425,164</b>	<b>(161,431,097)</b>
CUW300 BOND/COMMERCIAL PAPER EXPENSE	471,700,000	170,791,910	0	471,700,000	0
PROGRAM RESERVE	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>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>

