

PUBLIC UTILITIES COMMISSION

City and County of San Francisco

RESOLUTION NO. 24-0047

WHEREAS, On December 21, 1999, by Resolution No. 00-0033, the San Francisco Public Utilities Commission (SFPUC) and the Santa Clara Valley Water District (District) entered into an agreement to develop an interconnection of their respective water supply systems (Intertie) which was then approved by the San Francisco Board of Supervisors (Resolution No. 641-00, dated July 24, 2000) and the Santa Clara Valley Water District Board of Directors (December 21, 1999); and

WHEREAS, On December 21, 1999, the SFPUC and the District also entered into the Agreement for Long Term Operation and Maintenance of the Intertie (O&M Agreement), as authorized by Commission Resolution No. 00-0033, dated January 25, 2000; San Francisco Board of Supervisors Resolution No. 641-00, dated July 24, 2000; and Santa Clara Valley Water District Board of Directors approved motion, dated December 21, 1999; and

WHEREAS, Section 3 of the O&M Agreement provided, in part, that “[e]ither Party may operate the physical works of the Intertie ... for the delivery of water with the concurrence of the other Party,” and Section 4 of the Agreement provided, in part, that “[t]he City shall have primary responsibility for routine maintenance, replacement and repair of the physical works of the Shared Project Facilities,” or Intertie, as defined in the Agreement; and

WHEREAS, On March 2, 2009, the SFPUC and the District entered into the First Amendment to the O&M Agreement (First Amendment), as authorized by Commission Resolution No. 08-0223, dated December 9, 2008; and San Francisco Board of Supervisors Resolution No. 60-09, dated February 24, 2009; and

WHEREAS, The First Amendment amended Section 4 of the O&M Agreement, in part, to provide that “[t]he Parties shall jointly designate one of them to have primary responsibility for routine operation, maintenance, replacement, and repair of the physical works of the Shared Project Facilities” – the newly defined “O&M Party” – and to designate the District as the O&M Party until at least December 31, 2013, without modifying either Party’s ability to operate the Intertie under Section 3 of the Agreement; and

WHEREAS, The First Amendment also amended Section 15 of the Agreement to provide that the O&M Party, rather than the SFPUC, shall have lead responsibility for reconciliation of joint costs associated with the Intertie; and

WHEREAS, Before December 31, 2013, the Parties agreed to jointly designate the SFPUC the O&M Party starting on January 1, 2014, pursuant to Section 4 of the Agreement, as amended, and the SFPUC has, in accordance, remained the O&M Party since that date; and

WHEREAS, The SFPUC and the District now agree that the Intertie may be more efficiently operated and maintained by the District, given its proximity to the Intertie and the impact of the Intertie’s operation on the District’s system, and the District should thus be the O&M Party; and

WHEREAS, Approval of the Second Amendment to the O&M Agreement does not constitute a “project” under the California Environmental Quality Act (CEQA) Guidelines Section 15378 because the Amendment is an organizational or administrative governmental activity that will not result in direct or indirect physical changes in the environment, is a continuing administrative and maintenance activity, and is a government fiscal activity that does not involve a commitment to a specific project which may result in a potentially significant physical impact on the environment; and

WHEREAS, The SFPUC and the District propose to amend the Agreement again in order to re-designate the District as the O&M Party from July 1, 2024 through June 30, 2029, with the SFPUC and the District meeting and conferring before the end of this five-year period to determine, by mutual written agreement, which of them shall be the O&M Party beyond June 30, 2029, under Section 4 of the Agreement (Second Amendment); and

WHEREAS, The Second Amendment would also (1) designate the O&M Party with primary responsibility for maintenance of operating permits and preparation of annual reports or plans under Section 5 of the Agreement; (2) provide that all costs associated with the operation of the Intertie to deliver “reimbursement water” shall be borne by the Party delivering that water under Section 14 of the Agreement; and (3) revise the terms for the annual reconciliation of water supplied through the Intertie under Section 17 of the Agreement; now, therefore, be it

RESOLVED, That this Commission hereby approves the Second Amendment to the Agreement between the San Francisco Public Utilities Commission and the Santa Clara Valley Water District for Long-Term Operation and Maintenance of the Intertie, subject to Board of Supervisors approval under Charter Section 9.118.

I hereby certify that the foregoing resolution was adopted by the Public Utilities Commission at its meeting of February 27, 2024.



Secretary, Public Utilities Commission