

File No. 141211

Committee Item No. 15

Board Item No. 4

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date December 10, 2014

Board of Supervisors Meeting

Date January 13, 2015

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input type="checkbox"/> | <input type="checkbox"/> | Resolution |
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| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form |
| <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 |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
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OTHER (Use back side if additional space is needed)

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Completed by: Linda Wong Date December 5, 2014
 Completed by: L.W. Date 12/11/14

[De-Appropriation and Re-Appropriation - \$1,400,000 of Water System Improvement Program for Public Utilities Commission - FY2014-2015]

Ordinance de-appropriating \$1,400,000 in existing Water System Improvement Program (WSIP) Regional Groundwater & Recovery Project budgets approved by Ordinance No. 311-08 and re-appropriating the funds to Water System Improvement Program (WSIP) Bond/Commercial Paper expense.

Note: **Unchanged Code text and uncodified text** are in plain Arial font.
Additions to Codes are in single-underline italics Times New Roman font.
Deletions to Codes are in ~~strikethrough italics Times New Roman font~~.
Board amendment additions are in double underlined Arial font.
Board amendment deletions are in ~~strikethrough Arial font~~.
Asterisks (*)** indicate the omission of unchanged Code subsections or parts of tables.

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

Section 1. The uses of funding outlined below are herein de-appropriated to reflect the funding available for Fiscal Year 2014-2015.

Uses De-appropriation

Fund	Index/Project Code	Subobject	Description	Amount
5W CPF 02A	730100BUD	06700 Buildings,	Groundwater	(\$1,400,000)
PUC- WATER – 2002	CUW301 0100	Structures, and	Project	
PROPA BOND FUND		Improvement		
		Project-Budget		
Total USES De-appropriation				(\$1,400,000)

1 Section 2. The uses of funding outlined below are herein re-appropriated in Subobject
 2 06700 (Buildings, Structures, and Improvement Project-Budget), and reflect the projected
 3 uses of funding to support Water System Improvement Program Bond/Commercial Paper
 4 Expense for Fiscal Year 2014-2015.

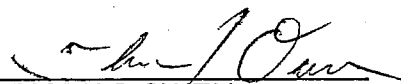
5
 6 **USES Re-appropriation**

Fund	Index/Project Code	Subobject	Description	Amount
5W CPF 02A	*WTR5WCPF02A	06700 Buildings,	WSIP Bond /	\$1,400,000
PUC- WATER – 2002	CUW300 0100	Structures, and	Commercial Paper	
PROPA BOND FUND		Improvement	Expense	
		Project-Budget		
Total USES Re-appropriation				<u><u>\$1,400,000</u></u>

13
 14
 15
 16 Section 3. The Controller is authorized to record transfers between funds and adjust
 17 the accounting treatment of sources and uses appropriated in this Ordinance as necessary to
 18 conform with Generally Accepted Accounting Principles.
 19

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

FUNDS AVAILABLE
 BEN RONSENFIELD, Controller

21
 22 By: 
 THOMAS OWEN
 Deputy City Attorney

By: 
 BEN ROSENFIELD
 Controller

Items 15 & 16 Files 14-1211 and 14-1212	Department: Public Utilities Commission (PUC)
EXECUTIVE SUMMARY	
Legislative Objectives	
<ul style="list-style-type: none"> • The proposed resolution (File 14-1212) authorizes the San Francisco Public Utilities Commission (SFPUC) to accept and expend a grant in the amount of \$1,400,000 from the California Department of Water Resources for the Regional Groundwater Storage and Recovery Project Phase 1A – South Westside Groundwater Basin, Northern San Mateo County. • The proposed ordinance (File 14-1211) de-appropriates \$1,400,000 in existing Water System Improvement Program Regional Groundwater & Recovery Project budgets approved by an existing ordinance (311-08) and re-appropriates the funds to the Water System Program Bond/Commercial Paper expense. 	
Key Points	
<ul style="list-style-type: none"> • The Association of Bay Area Governments (ABAG) applied for a Proposition 84 Integrated Regional Water Management Program Grant from the State of California, Department of Water Resources (DWR). The Department of Water Resources awarded ABAG a grant of \$20,000,000, and required that an estimated \$14,428,997 in agency matching funds be committed: • ABAG will disburse the funds to the SFPUC for implementation of the Regional Groundwater Storage and Recovery Project Phase 1A – South Westside Basin, Northern San Mateo County, on a reimbursement basis. • Under Phase 1A of the Project, five groundwater wells will be constructed in Daly City, Colma and South San Francisco. Work in Phase 1A consists of well drilling (to approximately 550 to 750 feet deep), construction, development and pump testing. 	
Fiscal Impact	
<ul style="list-style-type: none"> • The estimated cost of Phase 1A for the purpose of the grant agreement between the SFPUC and DWR is \$3,452,261, of which \$1,400,000 will be provided through grant funding from the Department of Water Resources. • The estimated cost-share for the SFPUC for the project is \$2,022,261. Funds for the cost-share will come from the Water System Improvement Program Project CUW30103. 	
Recommendation	
Approve the proposed resolution and ordinance.	

MANDATE STATEMENT / BACKGROUND**Mandate Statement**

City Administrative Code Section 10.170-1 states that accepting Federal, State, or third-party grant funds in the amount of \$100,000 or more if the grant requires any City matching funds, is subject to approval by the Board of Supervisors.

City Charter Section 9.105 states that amendments to the Annual Appropriations Ordinance, after the Controller certifies the availability of funds, are subject to Board of Supervisors approval by ordinance.

Background

On behalf of numerous local public agencies, including the San Francisco Public Utilities Commission (SFPUC), the Association of Bay Area Governments (ABAG) applied for a Proposition 84 Integrated Regional Water Management Program Grant from the State of California, Department of Water Resources (DWR). The purpose of the grant is to help fund the implementation and operation of 19 local, subregional and regional water conservation, water recycling, ecosystem restoration, green infrastructure, and flood management-watershed projects to be carried out by the participating agencies.

The State Department of Water Resources (DWR) awarded ABAG a grant of \$20,000,000, and required that an estimated \$14,428,997 in agency matching funds be committed. Grant funds will be disbursed by DWR to ABAG, the fiscal agent of the grant, on a reimbursement basis.

Under a grant agreement between ABAG and the SFPUC, ABAG will disburse the funds to the SFPUC for implementation of the Regional Groundwater Storage and Recovery Project Phase 1A – South Westside Basin, Northern San Mateo County, also on a reimbursement basis. Under Phase 1A of the Project, five groundwater wells will be constructed in Daly City, Colma and South San Francisco. Work in Phase 1A consists of well drilling (to approximately 550 to 750 feet deep), construction, development and pump testing.

The Regional Groundwater Storage and Recovery Project is part of the SFPUC's Water System Improvement Program (WSIP). The goal of the program is to develop local groundwater supply for use during drought conditions. When completed and operational, the Project will store up to 60,500 acre-feet of water in the South Westside Groundwater Basin, a capacity that would provide approximately 7.5 years of dry-year supply.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution (File 14-1212) authorizes the San Francisco Public Utilities Commission (SFPUC) to accept and expend a grant in the amount of \$1,400,000 from the California Department of Water Resources for the Regional Groundwater Storage and Recovery Project Phase 1A – South Westside Groundwater Basin, Northern San Mateo County.

The proposed ordinance (File 14-1211) de-appropriates \$1,400,000 in existing Water System Improvement Program Regional Groundwater Storage and Recovery Project funds previously appropriated by the Board of Supervisors, and re-appropriates the funds to the Water System

Improvement Program Bond/Commercial Paper expense. SFPUC deposits bond and commercial paper proceeds and other unused WSIP funds into the WSIP Bond/Commercial Paper expense prior to re-appropriation of these funds to WSIP projects.

FISCAL IMPACT

The Regional Groundwater Storage and Recovery Project budget is \$113,580,000, as shown in the table below, and is funded by Water Revenue Bonds, previously appropriated by the Board of Supervisors.

Table: Regional Groundwater Storage and Recovery Project Budget

Project Phase	Approved Budget	Expended as of October 2014	Balance
Project Management	\$6,757,119	\$3,407,448	\$3,149,671
Planning	2,031,881	2,031,881	0
Environmental Review	4,755,000	3,895,262	735,738
Right-of-Way	2,118,000	838,405	1,279,595
Design	10,852,000	9,832,280	1,343,720
Bid and Award	373,000	10,866	362,134
Construction Management	11,324,000	500,785	10,823,215
Environmental Mitigation	732,196	4,438	727,758
Subtotal, Project Planning, Design, Management, Environmental, Other	\$38,943,196	\$20,521,365	\$18,421,831
Prior Construction (Completed)	4,388,804	4,393,854	(5,050)
Construction 13 Wells (Includes 10% Contingency) ¹	57,156,000	0	57,156,000
Construction 2 Wells (Includes 10% Contingency) ²	8,382,000	0	8,382,000
Other Construction	4,710,000	0	4,710,000
Subtotal, Construction	\$74,636,804	\$4,393,854	\$70,242,950
Total	\$113,580,000	\$24,915,219	\$88,664,781

Source: PUC

¹ Located in Daly City, Colma, San Bruno, South San Francisco, and Millbrae

² Located in or near Golden Gate National Cemetery

The proposed \$1,400,000 State Department of Water Resources grant will free up existing water revenue bond proceeds previously appropriated by the Board of Supervisors for Regional Groundwater Storage and Recovery Project funds, which will be re-appropriated to the Water System improvement Program Bond/Commercial Paper expense. According to Mr. Carlos Jacobo of the PUC, before the re-appropriated funds can be expended on another project, the Board of Supervisors will need to approve a supplemental appropriation.

The proposed \$1,400,000 grant requires matching funds of \$2,022,261. These matching funds of water revenue bonds were previously appropriated by the Board of Supervisors and are included in the Regional Groundwater Storage and Recovery Project budget, as shown in the table above.

Phase 1A of the Regional Groundwater Storage and Recovery Project is expected to be completed by July 31, 2016. The duration of the agreement will terminate when the SFPUC's obligations under the Agreement have been fully satisfied, no later than December 31, 2018.

RECOMMENDATION

Approve the proposed resolution and ordinance.



San Francisco
Water Power Sewer
 Services of the San Francisco Public Utilities Commission

525 Golden Gate Avenue, 12th Floor
 San Francisco, CA 94102
 T 415.554.3155
 F 415.554.3
 TTY 415.554.3466

November 13, 2014

The Honorable Edwin M. Lee

The Honorable Board of Supervisors

The Honorable Ben Rosenfield, Controller

**Subject: SFPUC – Regional Groundwater & Recovery Project
 Supplemental Appropriation Request De-obligating \$1,400,000**

Ladies and Gentlemen:

Attached is a completed copy of the Request for Supplemental Appropriation de-obligating \$1,400,000 from the Water System Improvement Program (WSIP), Project CUW301-03 Regional Groundwater and Recovery Project.

The San Francisco Public Utilities through the Association of Bay Area Governments (ABAG) has applied for Proposition 84 Integrated Regional Water Management Grant from the State of California in the amount of \$1,400,000. These grant funds will replace a portion of the current funding for the Regional Groundwater and Recovery Project.

In accordance with Controller's policy, the de-obligation of appropriated project funds must be approved by the Board of Supervisors either through the annual budget process or supplemental appropriation.

This is a companion measure to the grant agreement between the San Francisco Public Utilities Commission and the Association of Bay Area Governments submitted to the Board of Supervisors for approval.

Regards,

Harlan L. Kelly Jr.
 General Manager

Attachments

Edwin M. Lee
 Mayor

Ann Moller Caen
 President

Francesca Vietor
 Vice President

Vince Courtney
 Commissioner

Aaron Moran
 Commissioner

Harlan L. Kelly, Jr.
 General Manager



REQUEST FOR SUPPLEMENTAL APPROPRIATION

DEPARTMENT SFPUC DIVISION Water DATE 11/13/2014

To the Mayor:

Request is hereby made for supplemental appropriation from the following appropriations(s) or fund(s) in the amount(s) indicated:

APPROPRIATION NUMBER	DESCRIPTION OF APPROPRIATION OR FUND	AMOUNT
FD/GROUP FD 5WCPF02A DEPT-DIV-SEC WTR0302 INDEX 730103BUD CHAR/SUB-OBJ 06700	REGIONAL GROUNDWATER STORAGE & RECOVERY	(\$1,400,000)

to the credit of the following appropriation(s) or fund(s) in the amount(s) indicated:

APPROPRIATION NUMBER	DESCRIPTION OF APPROPRIATION OR FUND	AMOUNT REQUESTED	AMOUNT APPROVED MAYOR
FD/GROUP FD 5WCPF02A DEPT-DIV-SEC WTRAA INDEX *WTR5WCPF02A CHAR/SUB-OBJ 06700 PROJECT CUW3000	WSIP BOND/COMMERCIAL PAPER EXPENSE	\$1,400,000	

There are no surpluses in any of this department's appropriations available for transfer for the requested purposes(s). Complete as to the necessity for THIS appropriation is stated below.

APPLICABLE BOXES MUST BE CHECKED.

- This request includes capital projects (s.o.2020 or 2030); a separate copy has been sent to the Chair, Capital Improvement Advisory Committee
- Improvement Advisory Committee
 - These funds have not been previously requested.
 - These funds were previously requested by: Supplemental Appropriation or
 - Budget Estimate and were reduced or denied by: The Mayor, or The Board of Supervisors.

CERTIFIED AS TO FACTS AND AMOUNTS AS ABOVE STATED, AND RECOMMENDED:

Todd Rydstrom (Department Head)
Todd Rydstrom, AGM Business Services & CFO, SFPUC

APPROVED: *Harlan L. Kelly, Jr.* (C.A.O., Board or Commission)
Harlan L. Kelly, Jr., General Manager, SFPUC

Recorded Controller's Budget Division

By _____ Date _____ Request No. _____

FOR MAYOR'S USE

To the Controller:

The above request meets with my approval, as indicated above. You are hereby requested to prepare the necessary appropriation ordinance.

APPROVED:
Edwin M. Lee
MAYOR

By *Edwin M. Lee* Date 11/24/2014

OFFICE OF THE MAYOR
SAN FRANCISCO



EDWIN M. LEE
MAYOR

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: Mayor Edwin M. Lee
RE: De-Appropriation and Re-Appropriation - \$1,400,000 of Water System Improvement Program for Public Utilities Commission – FY2014-2015
DATE: November 25, 2014

Attached for introduction is an ordinance de-appropriating \$1,400,000 in existing Water System Improvement Program (WSIP) Regional Groundwater & Recovery Project budgets approved by Ordinance 311 – 08 and re-appropriating the funds to Water System Improvement Program (WSIP) Bond/Commercial Paper expense.

I respectfully request that this item be calendared in Budget and Finance on December 10th, 2014.

Should you have any questions, please contact Nicole Wheaton (415) 554-7940.