

PUBLIC UTILITIES COMMISSION

City and County of San Francisco

RESOLUTION NO. 16-0116

WHEREAS, The Lower Cherry Aqueduct is a valuable water supply resource, enabling potable supply stored in Cherry and Eleanor Reservoirs to be conveyed into the Hetch Hetchy Regional Water System during times of drought; and

WHEREAS, The Lower Cherry Aqueduct was damaged to the point of inoperability as a result of the 2013 Rim Fire; and

WHEREAS, The Environmental Review Officer approved a Statutory Exemption for the project under Section 15269(a) on March 4, 2014; and

WHEREAS, The San Francisco Public Utilities Commission (SFPUC) has undertaken the Lower Cherry Aqueduct Emergency Rehabilitation Project (Phases 1 and 2) to repair the Aqueduct and ensure its ability to function now and into the future; and

WHEREAS, On behalf of numerous public agencies located in the San Francisco Bay Area, the Association of Bay Area Governments (ABAG) applied for and received a Proposition 84 Integrated Regional Water Management Grant (State Grant) from the State of California, Department of Water Resources (DWR) in the amount of \$32,178,423, to help fund the implementation and operation of eleven local, subregional, and regional water supply, water recycling, water conservation, and ecosystem restoration projects; and

WHEREAS, DWR and ABAG have entered into Grant Agreement No. 4600010883, whereby State grant funds will be disbursed by DWR to ABAG, the fiscal agent for the grant funds, on a reimbursement basis; and

WHEREAS, The State permits ABAG to disburse State grant funds to participating Agencies to carry out the purposes of the State Grant; and

WHEREAS, ABAG wishes to pass State Grant funds through to the SFPUC to use for the Lower Cherry Aqueduct Emergency Rehabilitation Project; and

WHEREAS, The SFPUC desires to receive State Grant funds, and is willing to cooperate in fulfilling ABAG's obligations under the State Grant requirements; and

WHEREAS, The State grant funds for the implementation of the Lower Cherry Aqueduct Emergency Rehabilitation Project are not to exceed \$3,000,000; and

WHEREAS, The SFPUC matching funds for implementation of the Lower Cherry Aqueduct Emergency Rehabilitation Project in the amount of \$7,000,000 are available through CUH10003; and


WHEREAS, The acceptance of these grant funds will save Hetch Hetchy Water & Power \$3,000,000 and result in cost savings to rate payers; and

WHEREAS, In accordance with the Administrative Code, the Board of Supervisors will review a request to accept and expend grant funds; now, therefore, be it

RESOLVED, That this Commission hereby authorizes the General Manager of the San Francisco Public Utilities Commission to execute an Agreement with the Association of Bay Area Governments for the purpose of disbursing State grant funds to the SFPUC for implementation of the Lower Cherry Aqueduct Emergency Rehabilitation Project for an amount not to exceed \$3,000,000, with estimated matching funds of \$7,000,000; and be it

FURTHER RESOLVED, That this Commission recommends that the Board of Supervisors authorize the acceptance and expenditure of the grant funds.

I hereby certify that the foregoing resolution was adopted by the Public Utilities Commission at its meeting of June 14, 2016.



Secretary, Public Utilities Commission