FILE NO. 240190

RESOLUTION NO. 181-24

[Agreement Amendment - Santa Clara Valley Water District - Long-Term Operation and Maintenance of Intertie Facility]

Resolution approving the Second Amendment to the Agreement between the San Francisco Public Utilities Commission (SFPUC) and Santa Clara Valley Water District (District) for long-term operation and maintenance of the Intertie Facility located in Milpitas pursuant to Charter, Section 9.118, to re-designate the District as the Operation and Maintenance (O&M) Party of the Intertie Facility from July 1, 2024, through June 30, 2029, with the SFPUC and the District meeting and conferring before the end of the five-year period to determine, by mutual written agreement, which of them shall be the O&M Party beyond June 30, 2029.

WHEREAS, The San Francisco Public Utilities Commission (SFPUC) owns and operates the Regional Water System that spans from Tuolumne County to the City and County of San Francisco, and delivers potable water to wholesale and retail customers in the East and South Bay and the Peninsula, as well as retail customers in San Francisco; and

WHEREAS, The Santa Clara Valley Water District (District) owns and operates a wholesale water system in Santa Clara County that comes within a thousand feet of the SFPUC's system in the City of Milpitas; and

WHEREAS, On January 25, 2000, by Resolution No. 00-0033, the SFPUC approved two agreements between the SFPUC and the District to 1) develop an Intertie Facility that would serve as an interconnection of the two water supply systems and 2) provide for the long-term operation and maintenance of the Intertie Facility (O&M Agreement); and

WHEREAS, On July 24, 2000, by Resolution No. 641-00, the Board of Supervisors approved both agreements pursuant to Charter, Section 9.118; and

WHEREAS, The Intertie Facility, completed in 2000, consists of a pump station, interconnecting piping, and other ancillary systems capable of delivering up to 40 million gallons a day of potable water in both directions; and

WHEREAS, Since its completion, the SFPUC and the District have used the Intertie more than 30 times for emergencies or for planned work on critical facilities that would otherwise be difficult to remove from service without the availability of an alternate water supply; and

WHEREAS, The O&M Agreement, as originally approved, allowed either the SFPUC or the District to operate the Intertie, and it designated the SFPUC as the party having primary responsibility for routine maintenance, replacement, and repair of the Intertie; and

WHEREAS, On December 9, 2008, by Resolution No. 08-0223, the SFPUC approved the First Amendment to the O&M Agreement (First Amendment), subject to Board of Supervisors approval under Charter, Section 9.118; and

WHEREAS, On March 2, 2009, by Resolution No. 60-09, the Board of Supervisors approved the First Amendment and authorized the General Manager of the SFPUC to execute the Amendment pursuant to Charter, Section 9.118; and

WHEREAS, The First Amendment provided, in part, that the SFPUC and the District would jointly designate one of them as the "O&M Party" with primary responsibility for routine operation, maintenance, replacement, and repair of the Intertie, and it designated the District as the O&M Party from March 2, 2009, until at least December 31, 2013; and

WHEREAS, The SFPUC and the District designated the District as the O&M Party during this time period because the implementation of the SFPUC's Water System Improvement Program (WSIP) placed high burdens on the SFPUC's operations and maintenance staff while different parts of the Regional Water System were being taken out of service for rehabilitation or replacement; and

WHEREAS, Before December 31, 2013, the SFPUC and the District agreed to designate the SFPUC as the O&M Party starting on January 1, 2014, pursuant to the Agreement, as amended, and the SFPUC has remained the O&M Party since that date; and

WHEREAS, The SFPUC and the District recognize 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

WHEREAS, The proposed Second Amendment to the O&M Agreement will redesignate 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; and

WHEREAS, The Second Amendment will 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; and

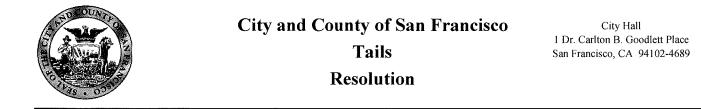
WHEREAS, On February 27, 2024, by Resolution No. 24-0047, the SFPUC approved the Second Amendment to the O&M Agreement, subject to Board of Supervisors approval under Charter, Section 9.118; and

WHEREAS, Funds for this Agreement will continue to be available from the Water Enterprise's operating budget as appropriated through the City and County of San Francisco's budget process and subject to approval during the City's budget cycle and certification by the Controller; now, therefore, be it

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RESOLVED, That this Board of Supervisors hereby approves and authorizes the General Manager of the SFPUC to execute the Second Amendment to the Agreement between the San Francisco Public Utilities Commission and Santa Clara Valley Water District for Long-Term Operation and Maintenance of the Intertie located in Milpitas; and, be it

FURTHER RESOLVED, That within 30 days of the execution of the Second Amendment to the Agreement, the General Manager of the SFPUC shall provide the signed Agreement, as amended, to the Clerk of the Board for inclusion in the official file.



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Date Passed: April 16, 2024

Resolution approving the Second Amendment to the Agreement between the San Francisco Public Utilities Commission (SFPUC) and Santa Clara Valley Water District (District) for long-term operation and maintenance of the Intertie Facility located in Milpitas pursuant to Charter, Section 9.118, to re-designate the District as the Operation and Maintenance (O&M) Party of the Intertie Facility from July 1, 2024, through June 30, 2029, with the SFPUC and the District meeting and conferring before the end of the five-year period to determine, by mutual written agreement, which of them shall be the O&M Party beyond June 30, 2029.

April 03, 2024 Budget and Finance Committee - RECOMMENDED

April 16, 2024 Board of Supervisors - ADOPTED

Ayes: 11 - Chan, Dorsey, Engardio, Mandelman, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

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I hereby certify that the foregoing Resolution was ADOPTED on 4/16/2024 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo Clerk of the Board

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London N. Breed Mayor

4/26/24

Date Approved