



STAFF REPORT

AGENDA NO: 9c

MEETING DATE: October 21, 2024

To: Honorable Mayor and City Council

Date: October 21, 2024

**From: Syed Murtuza, Director of Public Works – (650) 558-7230
Kevin Okada, Senior Engineer – (650) 558-7230**

Subject: Adoption of a Resolution Authorizing the City Manager to Execute a Cost Sharing Agreement with the Town of Hillsborough and City of Millbrae for the Highline Pipeline Project

RECOMMENDATION

Staff recommends that the City Council adopt the attached resolution authorizing the City Manager to execute a cost sharing agreement with the Town of Hillsborough and the City of Millbrae for the Highline Pipeline Project and allocate the funding for its implementation.

BACKGROUND

The City of Burlingame, the City of Millbrae, and the Town of Hillsborough have been collaborating on the construction of a new potable water transmission main since 2018. The proposed water transmission main will connect to the Harry Tracy Water Treatment Plant through the Helen Turnout in Millbrae and traverse along Skyline Boulevard to the Town of Hillsborough. The project will establish an alternative connection to the distribution of potable water from the San Francisco Regional Water System, enhancing redundancy in the water supply during emergencies such as earthquakes and wildfires. Additionally, it will strengthen the fire protection system in the Hillside area by creating an alternate water source, although it does not change the City's current water purchase allocation from San Francisco.

The project consists of two main components:

- Component one: A new transmission main with a capacity of 5.71 million gallons per day (MGD). The water allocation to each of the participants will be as follows: Town of Hillsborough 2.91 MGD, Millbrae 1.88 MGD, and Burlingame 0.92 MGD.
- Component two: A new pump station to be constructed on Millbrae's former Helen Tank site. This station will serve dual purposes as a pump station for the entire project, and as an emergency pump station solely for the benefit of Millbrae.

The proposed Highline Pipeline Project will provide multiple benefits to all three agencies, including seismic redundancy and backup water supply in the event of a seismic event affecting the existing

San Francisco Public Utilities Commission (SFPUC) infrastructure. The highline pipeline includes the construction of specialized seismically resilient piping and a connection to the Harry Tracy Water Treatment Plant, which has been seismically upgraded. It will also improve water supply and flow for fire protection.

Additionally, using the highline transmission main will reduce pumping costs, as the expenses will be shared among the three agencies, unlike the current Trousdale Pump Station, which is solely funded by Burlingame rate payers. The project will enhance operational flexibility and provide benefits to all involved.

Benefits to Burlingame

The City of Burlingame will benefit from an improved water supply for fire protection, particularly in hillside areas, enhanced seismic redundancy, and a direct water supply connection from the Harry Tracy Water Treatment Plant.

Fire flow improvements are necessary along Skyline, with or without this project. By participating in this project, Burlingame will benefit by gaining a new point of water delivery to its distribution systems along the Highway 280 corridor, improving fire flow and wildfire protection.

In emergencies like fires or earthquakes, redundancy in the water distribution system will minimize the likelihood of water outages. A transmission main connected to Harry Tracy at a high elevation in Burlingame will allow operators to redirect water as needed, maintaining an uninterrupted water supply during major regional emergencies, such as earthquakes, even if the Hetch Hetchy transmission lines are down.

The Town of Hillsborough is the project lead agency and has received a \$22.3 million BRIC (Building Resilient Infrastructure and Communities) Grant from FEMA (Federal Emergency Management Agency). The FEMA BRIC Grant makes the project more attractive as it significantly reduces the cost to each agency participating in the project. The project is currently in the design phase, and Burlingame staff is closely collaborating with the Town of Hillsborough to ensure that the project design meets Burlingame's interests. Staff will provide additional updates and details once the design is completed.

DISCUSSION

Burlingame staff has negotiated the attached cost-sharing agreement with the Town of Hillsborough and the City of Millbrae. The terms of the cost-sharing agreement are attached as an exhibit. The key elements of the cost-sharing agreement include the following:

- The Town of Hillsborough will be the project lead agency, responsible for managing the engineering design, construction, and operation and maintenance of the pipeline and pump station.
- The agreement provides for proportionate cost sharing among Burlingame, Millbrae, and Hillsborough based on corresponding water allocations.
- The agreement provides each agency with the flexibility to withdraw from participation in

the project at several milestone stages.

- The cost-sharing agreement is based on the FEMA Grant, which reduces costs to all participants.
- The City of Burlingame’s total contribution will not exceed \$2.15M without an amendment to the cost-sharing agreement.
- The cost-sharing agreement provides a draft operational framework for the maintenance agreement among the three agencies that will be finalized after the completion of project design and will be brought to the City Council for approval at a later date.

The table below captures the total project costs, grant funding, and corresponding contributions by each of the partner agencies.

	Total Estimated Project Cost	BRIC Grant Estimated Project Cost	Hillsborough Estimated Project Cost	Millbrae Estimated Project Cost	Burlingame Estimated Project Cost
Total Estimated Project Cost:	\$ 32,190,000	\$22,291,675	\$6,582,325	\$ 1,890,400	\$ 1,425,600

Burlingame’s engineering design share of the project cost is estimated at \$330,000 and is included in the overall Burlingame contribution amount of \$1,425,600. Since the project is currently in the engineering development phase, staff is requesting the City Council authorize \$330,000 from Water Enterprise Funds to participate in the Highline Pipeline Project. Once the design phase is completed and project construction bids are received, staff will return to the City Council in the future to seek approval for the remaining portion of Burlingame’s contribution towards construction.

FISCAL IMPACT

The total estimated project cost is approximately \$32.2 million, of which Burlingame’s estimated share is \$1,425,600, including the \$330,000 estimated design costs.

Exhibits:

- Resolution
- Cost Sharing Agreement with Draft Framework for the Project Operating Agreement
- Project Location Map