



**SAN FRANCISCO PUBLIC UTILITIES COMMISSION**  
City and County of San Francisco

**London N. Breed**  
Mayor

**SPECIAL MEETING MINUTES**  
**Friday, September 17, 2021**  
**2:00 P.M.**

**(Approved As Amended October 12, 2021)**

This meeting was held by Teleconference Pursuant to the Governor's Executive Order N-29-20 and the Twelfth Supplement to Mayoral Proclamation Declaring the Existence of a Local Emergency Dated February 25, 2020

During the Coronavirus Disease (COVID-19) emergency, the San Francisco Public Utilities Commission's (SFPUC) regular meeting room, City Hall, Room 400, is closed. Commissioners and SFPUC staff will convene Commission meetings remotely by teleconference.

**Commissioners**

Sophie Maxwell, President  
Anson Moran, Vice President  
Tim Paulson  
Ed Harrington  
Newsha Ajami

**Michael Carlin**  
Acting General Manager

**Donna Hood**  
Secretary



1. Call to Order

*Chair Paulson called the meeting to order at 2:00 PM.*

2. Roll Call

*Present: Maxwell, Moran, Paulson, Harrington and Ajami*

3. Presentations on Alternative Water Supply (AWS) Planning

SFPUC Staff Presentation: Overview of Alternative Water Supply (AWS) Planning program objectives, water supply needs, and roadmap; current status of projects and planning considerations; and planning approach and outcomes of the Alternative Water Supply Plan (July 2023)

*Steve Ritchie, Assistant General Manager (AGM) Water, introduced the topic, guest presenters, and meeting objectives. He stated the SFPUC is “planning for obligations and building for demands”. He introduced Manisha Kothari, Alternative Water Supply Program Manager, who stated her presentation would cover three areas: (1) AWS Program, (2) AWS Projects, and (3) AWS Plan.*

**AWS Program: Program Overview:** (1) Alternative: new projects that add to Regional Water System deliveries beyond the implementation of the Water System Improvement Program; (2) Water Supply: provide sufficient centralized SFPUC supplies to meet projected needs and obligations. The SFPUC simultaneously encourages decentralized project opportunities; and (3) Program: comprehensive planning effort with milestones, deliverables, and regular reporting.

*She reviewed: (1) program objective: resilience (demands and supplies); (2) retail demands from the Regional Water System; and (3) wholesale demands from the Regional Water System. Ms. Kothari responded to a question from Commission Harrington as to what “obligation” means to retail customers, stating it is an allocation. She continued with a summary of supply available during drought and responded to a question from Commissioner Ajami about the Drought Rationing Policy. She proceeded with a review of 2045 AWS planning needs (meeting obligations and demand needs).*

*Ms. Kothari continued with a review of planning priorities: (1) obligatory: (offset instream flow needs, and meeting existing obligations to existing permanent customers); and (2) policy decisions: (December 31, 2028) make current interruptible customers permanent and meet increased demands of existing and interruptible customers.*

*She discussed special considerations for making San Jose and Santa Clara permanent customers and indicated that to increase supply obligations dedicated supplies will be needed, supplies must be identified for both normal and drought conditions (may be one or more supplies), and that making interruptible customers permanent must not adversely affect other Retail or Wholesale customers. Ms. Kothari concluded with a review of the AWS program and the ASW program roadmap for 2021 through 2028.*

**AWS Projects:** Ms. Kothari reviewed: (1) Leveraging existing infrastructure in the service area: reservoirs, groundwater basins, water and wastewater treatment plants, transmission/distribution, and interties; (2) AWS projects: distributed opportunities in the

*service area; various conveyance and delivery alternatives being considered for each project; and leveraging existing infrastructure and regional partnerships.*

*Ms. Kothari reviewed a graph displaying 2045 needs – Alternative Water Supply potential for various projects. She discussed planning assumptions, challenges, and current status for the following projects: Daly City Water Expansion, Crystal Springs Purified Water, ACWD-USD Purified Water, Los Vaqueros Reservoir Expansion, Calaveras Reservoir Expansion, San Francisco Purified Water, San Francisco Satellite Recycled Water, San Francisco Innovation Program, Groundwater Banking, Inter-Basin Collaborations (upcountry), and Dry Year Transfers (upcountry). She reviewed considerations for decision-making.*

***AWS Plan:*** *Ms. Kothari began with a review of the planning approach and the thinking about projects in the context of long-term planning needs. She reviewed: (1) ASW Guiding Principles; (2) AWS project and program planning tools; (3) project sequencing; (3) modeling for AWS evaluation; and (4) modeling unit costs. Ms. Kothari discussed AWS plan outcomes, indicating the ASW Plan will: (1) describe an adaptive approach to connecting both near-term and long-term planning for the AWS program; (2) summarize project information on technical feasibility and integration with the Regional Water System; and (3) utilize tools including project sequencing, system modeling, and financial modeling to engage in a rigorous and iterative process to help the Commission make informed “no regrets” decision to advance projects.*

*In response to a question from President Maxwell as to what metrics are being considered, Ms. Kothari indicated staff is looking at the distribution system, infrastructure, redundancy, and resilience. In response to a follow-up question, AGM Ritchie indicated the SFPUC has been servicing interruptible customers since the 1970's. Brief discussion ensued on interruptible customers, with Nicole Sandkulla, BAWSCA CEO, providing additional information regarding interruptible customers.*

*Commissioner Ajami indicated that she didn't see broader analysis on demand during the presentation. Brief discussion ensued.*

### **San Diego County Water Authority Presentation**

*Kelley Gage, Director of Water Resources, San Diego County Water Authority, stated that the Water Authority serves a vibrant region. She indicated it was created by the state legislature in 1944, serves 3.3 million people and a \$253 billion economy through 24 member agencies, provides about 75% of water used across the metro area and that it has a 36-member board.*

*Director Gage stated that their water supply sources come from the State Water Project (10%), local supply (24%), and the Colorado River (66%). She noted their planning and preparations began in the early 1990's. She discussed their water reliability through diversification (canal linings, reclaimed water, conservation, potable water reuse, Carlsbad Desal Plant, and local surface water storage), and their innovative investments in supply reliability.*

*Director Gage reviewed their 2020 demand and supply mix (supply reliability for the San*

*Diego Region); planning for tomorrow (investment in potable reuse, raising water levels, and delivering QSA supplies); and 2045 projected water resources mix (long-term supply reliability for the San Diego region).*

*In response to a question from Commissioner Ajami, Director Gage stated the demand per capita in the San Diego region is 120 gpcd indoor and outdoor (48 gpcd indoor and 72 gpcd outdoor).*

*Director Gage responded to a question from Commissioner Harrington as to whether their reliance on the Colorado River is affecting them, indicating there are no cutbacks affecting them at this time.*

### **City of San Diego Presentation**

*John Stufflebean, Assistant Director, San Diego Public Utilities Department, began with a review of their customer base. He discussed the Point Loma Wastewater Treatment Plant indicating that it has enhanced primary treatment, requires modified permits, secondary treatment is the national standard, and that it has a very challenging location on a cliffside. He stated that 85% of San Diego's water supply is imported from the Colorado River. He noted the water challenges they face, including limited local and imported supplies, population growth, Bay Delta constraints, natural disaster risk, rising imported water costs, and recurring drought.*

*He discussed San Diego's multi-faceted approach which includes conservation, desalination, groundwater development, recycled water, and the Pure Water Program. He reviewed their water supply system and Pure Water Plan and stated that by its completion in 2035, pure water will produce one-half of San Diego's potable water supply. He stated there are two phases: Phase 1: North City to Miramar (under construction) with 30 mgd; and Phase 2: Central Area to San Vicente or Lake Murray with 53 mgd.*

*Mr. Stufflebean discussed indirect potable reuse (groundwater replenishment and surface water augmentation) and stated that they worked with the regulators to develop regulations for surface water augmentation and he touched on the content of those regulations.*

*He reviewed Phase 1 projects and indicated that 100% designed is completed. He discussed cumulative outreach program metrics, including mention that more than 18,700 people have toured the Pure Water Facility. He discussed the Pure Water Demonstration Facility and indicated 50,000 lab tests have met all standards with exceptional water quality.*

*Mr. Stufflebean responded to a question from Commissioner Ajami as to whether they have been accounting for distributive solutions and stated their focus has been on the Pure Water Program. He responded to a follow-up question regarding who their sewer customers are and indicated all customers will benefit from Pure Water.*

### **Non-Governmental Organizations (NGO) Presentation**

*Peter Drekmeier, Tuolumne River Trust, began with a discussion as to the determination of how much water is needed: (1) determine carrying capacity (number of people, other living organisms, or crops that a region can support without environmental degradation) of the Tuolumne River; (2) adopt reasonable water demand projections; (3) revisit length of Design Drought following the release of the Climate Change Vulnerability Assessment; and (4) based on length of drought planning and demand projections determine the deficit to be filled by alternative water supplies.*

*Mr. Drekmeier discussed the Tuolumne River Trust's demand projections and the SFPUC's Bay-Delta Plan with alternative water supply projections, modified rationing policy, and modified Design Drought. He reviewed the history of recycled water in San Francisco and current recycled water use.*

*He stated the SFPUC's Urban Water Management Plan (UWMP) does not incorporate alternative water supplies and that according to an article by Doug Obegi, San Francisco is behind Southern California on planning for recycled water (retail customers only). He stated that Valley Water has contracted with Palo Alto and Mountain View to purchase water and that they plan to produce 9 mgd of purified water.*

*Mr. Chris Shutes, California Sportfishing Protection Alliance, continued the presentation and stated that the scale of need is important and alternative supply sources are necessary. He discussed the Walnut Creek Water Treatment Plant Pre-treatment Project (East Bay MUD). He indicated that pre-treatment makes Los Vaqueros storage feasible for more Bay Area agencies.*

*Mr. Drekmeier continued the presentation and discussed the Water Transfer that was proposed in 2012 where the SFPUC would have purchased water from the Modesto Irrigation District (MID). He stated the transfer failed but negotiations revealed promising opportunities for collaboration. He discussed infrastructure improvements identified by the MID as necessary, including preventing spill (Lateral #5) and he discussed MID's limited options for financing such improvements. He noted MID's opportunities for cost-effective water savings and that new efforts must better navigate political and cultural landscape.*

*He stated that funding infrastructure improvements could pay for an "insurance policy" during severe droughts and he discussed the idea of an "insurance policy". He noted insurance policies don't pay out every year and not all feasibility studies lead to projects. He stated that the SFPUC and BAWSCA need to invest for drought protection even if they don't use their investments every year. He displayed a chart noting the amount of Tuolumne River water available to the City as a reminder that in wet years there is water available for projects.*

*He discussed the opportunities to investigate the feasibility of Groundwater Recharge in the MID and TID service areas, indicating the feasibility work needs to begin now with funding by the SFPUC. He stated that given new or old technologies, evaluating groundwater recharge capacity is win-win. He discussed the approach to groundwater banking in the Tuolumne River Voluntary Agreement.*

*Mr. Drekmeier stated that climate change impacts are likely to incentivize District cooperation. He discussed the SFPUC's water rights.*

*Mr. Shutes offered the following NGO recommendations: (1) SFPUC and BAWSCA should commit to developing alternative water supplies with a goal of having several projects permitted and funded in time for including in the 2025 UWMP; (2) SFPUC and BAWSCA should commit to developing much more aggressive water recycling plans in the next five years; (3) SFPUC and BAWSCA should execute contracts not for drought reserve storage in expanded Los Vaqueros Reservoir; (4) SFPUC and BAWSCA should finance evaluating/mapping of groundwater recharge opportunities in MID and TID service areas; and (5) SFPUC and BAWSCA agencies must commit to regional solutions.*

*AGM Ritchie stated there were several good ideas in the presentation that he will follow-up with but indicated there was also some misinformation provided.*

*In response to a request for clarification from Commissioner Harrington regarding the Los Vaqueros Reservoir and whether their thought is that the SFPUC should be doing something different or that it be "locked-in" faster, Mr. Shutes replied that it needs to be locked in faster and that other issues such as water rights, must also be looked at. AGM Ritchie provided additional response.*

*Vice President (VP) Moran expressed agreement with Mr. Drekmeier's comments regarding the carrying capacity of the river, indicating he would word it differently. He stated that obligations need to be determined with closure. He addressed Mr. Shute's comments regarding "imperfect" information and passed opportunities and indicated that is an important consideration. He stated he sees no disagreement with the individual projects and understands the need to work on institutional relationships.*

#### 4. Public Comment

- *Francisco DaCosta asked that the Commission read the Raker Act. He stated that a needs assessments should be conducted on the condition of the pipes, before making San Jose and Santa Clara permanent customers, and to determine how much water is used in office buildings.*
- *Mark Gonzales stated the best discussion was that to consider condition of the river.*
- *John Rosepeppie thanked the Commission for the workshop. He discussed the changes and challenges that have taken place in the Bay Area over the years regarding water. He stated it isn't the health of river vs. obligation and that we can have both. He asked that the Commission to withdraw from the lawsuit. He stated they hold the fate of the salmon in their hands.*
- *Regina Chichizola, Save California Salmon, thanked the Commission for the workshop and the NGO's for their presentation. She encouraged diversification of water supply and stated the fate of the salmon is in the Commission's hands. She expressed disappointment with the curtailment lawsuit.*
- *Tom Francis, BAWSCA, read from a statement provided to the Commission titled "BAWSCA urges the San Francisco Public Utilities Commission to expand its staffing resources available to its Alternative Water Supply Program and ensure it can meet its*

*water supply reliability obligations”.*

*Chair Paulson thanked everyone for their comments and participation.*

*VP Moran stated that the San Diego Water Authority has an impressive program and that his takeaway is that it takes time and money to complete these projects. He expressed the need to move faster, not slower, due to uncertainty. He stated that the SFPUC needs to look at its policies to make sure they reflect the current thinking and plan for obligations and build for demand. He discussed the need to protect investments by maximizing surface water use on the Tuolumne.*

*Commissioner Ajami thanked everyone for their presentation and provided thoughts on more productive collaboration with the Districts to look at groundwater recharge, which she indicated should be considered as an option for the development of alternative water supplies. She expressed appreciation for the project staff and questioned the need to diversify the SPUC’s expertise to include staff from different parts of the organization. AGM Ritchie indicated that there are four dedicated staff to the project and that there is a larger “Water Supply Task Force” which represents different parts of the organization who meet every two weeks.*

*Commissioner Ajami asked that staff try to move away from a two-scenario situation to more of a portfolio of options for long-term planning.*

*President Maxwell thanked Commissioner Paulson for chairing the meeting and for everyone’s participation.*

*AGM Ritchie thanked Manish Kothari for her work and stated there will be a late October workshop on the long-term vulnerability assessment and the climate change effect on water supply.*

5. Adjournment

*Chair Paulson adjourned the meeting at 4:35 PM.*