



**San Francisco Public Utilities Commission
 Citizens' Advisory Committee
 Water Subcommittee**

MEETING MINUTES

**Tuesday, August 22, 2023
 5:30 p.m. – 7:00 p.m.
 525 Golden Gate Ave., 3rd Floor Tuolumne Conference Room**

**MEMBERS OF THE PUBLIC MAY OBSERVE AND PARTICIPATE VIA ZOOM
 VIRTUAL CONFERENCE SOFTWARE**

Meeting URL

<https://sfwater.zoom.us/j/84852774253?pwd=YWJicDlFZjZBNjYyakRad2l1TytRdz09>

Phone Dial-in

669 219 2599

Find your local number: <https://sfwater.zoom.us/j/84852774253?pwd=YWJicDlFZjZBNjYyakRad2l1TytRdz09>

Meeting ID / Passcode

848 5277 4253 / 189833

Mission: The Water Subcommittee reviews water supply system reliability, water conservation, recycling, regional cooperation efforts and other relevant plans and policies. ([Admin Code 5.140-142](#))

Members:

Jennifer Clary (Chair) (D11)	Suki Kott (D2)	Amy Nagengast (D8)
Nicole Sandkulla (M-Reg'l Water Customers)	Eliahu Perszyk (M-Large Water User)	Douglas Jacuzzi (D4)

D = District Supervisor appointed, M = Mayor Appointed, B = Board President appointed

Staff Liaisons: Mayara Ruski Augusto Sa, Lexus Moncrease, and Jotti Aulakh
 Staff Email for Public Comment: cac@sfwater.org

London N. Breed
 Mayor

Newsha Ajami
 President

Sophie Maxwell
 Vice President

Tim Paulson
 Commissioner

Tony Rivera
 Commissioner

Kate Stacy
 Commissioner

Dennis J. Herrera
 General Manager

ORDER OF BUSINESS

1. Call to Order and Roll Call at 5:35 pm

Members present at roll call: (4) Perszyk, Kott, Jacuzzi, and Nagengast

Members Absent: (2) Sandkulla and Clary

Staff: Manisha Kothari

Members of the Public: Dave Warner and Peter Drekmeier

OUR MISSION: To provide our customers with high-quality, efficient, and reliable water, power and sewer services in a manner that values environmental and community interests and sustains the resources entrusted to our care.



*Chair Clary joined at 5:45 pm. Quorum maintained.

2. Approval of the [June 27, 2023 Minutes](#)

Motion was made (Jacuzzi) and seconded (Perszyk) to approve the June 27, 2023, Minutes as amended.

AYES: (4) Perszyk, Kott, Jacuzzi, and Nagengast

NOES: (0)

ABSENT: (2) Sandkulla and Clary

Public Comment: None

3. Report from the Chair

- Chair welcomes committee members, staff, and the public

Public Comment: None

4. Public Comment: Members of the public may address the Committee on matters that are within the committee's jurisdiction and are not on today's agenda

- **Dave Warner** commented that the water and sewer rate projections are based on a certain level of demand. He noted that if demand comes in below the assumed level, water rates must increase to cover all the fixed costs, including the \$8.8 billion in the 10-year Capital Plan. Warner added that water and sewer rates would have to increase even more than projected as water demand declines. He commented that as a chief financial officer by trade, he is concerned about the lack of financial expertise within the SFPUC's leadership, especially considering the \$10 billion debt the SFPUC will be in once the 10-year Capital Plan is put in place.
- **Peter Drekmeier** commented that the SFPUC was entitled to 2.77-million-acre feet and demand has been under 200 million gallons per day (mgd), which is 225,000-acre feet per year, for the past nine years. He noted that the SFPUC was entitled to enough water to last 12 years, but because there was no place to store it, the unimpaired flow between February and June in the lower Tuolumne River was 81%, while the Bay Delta Plan calls for 40%. Drekmeier added that demand was down and was 221 mgd in the middle of summer, which is the peak of demand.

5. Discussion: [SFPUC Draft Alternative Water Supply Plan](#), Water CAC Subcommittee

Discussion

- **Member Jacuzzi** commented that he did not see any mention of the Westside Basin Aquifer in the Alternative Water Supply Plan (AWSP).

Staff Kothari responded that the AWSP is focused on additional alternative water supply projects that the SFPUC is considering beyond what is already in planning, so the only reference to WSIP (Water System Improvement Program) is that the SFPUC has ongoing WSIP projects. She commented that the Future Planning List touches on the Westside Basin with its' Daly City Recycled Water Expansion Project, which proposes recycled water delivery to the cemeteries in Colma that then alleviate some of the pumping in the Westside Groundwater Basin and provide additional assurance for the dry year supply. Staff Kothari noted that the pie charts and graphs are baseline with implemented WSIP projects, and the focus is on the additional needs that the SFPUC can fill.

Chair Clary commented that the AWSP was about the regional water system, so the Westside Basin would not be mentioned. She noted that there was a difference between in-city supply and the supply that was a part of the regional water system.

- **Member Nagengast** asked for key takeaways on the Urban Water Management Plan to better understand how the AWSP built on it.

Staff Kothari responded that the AWSP takes in-city retail demand from the Urban Water Management Plan, and the adjustment made in the AWSP relative to the Urban Water Management Plan is the expansion of the non-potable ordinance because the SFPUC lowered the threshold for what would trigger the onsite water reuse development. She noted that there was 0.2 mgd less demand in 2040 from retail. Staff Kothari added that for all the other customers except for San Francisco and suburban retail, the SFPUC relies on BAWSCA's (Bay Area Water Supply and Conservation Agency) annual survey

- **Chair Clary** commented that she would like to see a ranking of potential projects to see what their sensitivity is to potential drivers. She noted that the SFPUC has a storage heavy system, so extra storage does not have as much weight because it will likely be impacted in a similar way during a drought. A decision by the regional board to require denitrification of the City's effluent into SF Bay could make east side recycling more feasible. Chair Clary added that she would also like to understand how the SFPUC responds to various stressors.
- **Member Perszyk** asked if the AWSP explicitly discussed the relationship between the ability to increase a supply of alternative water sources and the ability to increase in-stream flows.

Staff Kothari responded that each project would be looked at differently, and the location of the project would matter.

- **Member Perszyk** asked if a dry year would be more of an issue.

Staff Kothari responded affirmatively and commented that the projects in a dry year are intended to provide water that was not available upstream from the Tuolumne.

- **Chair Clary** commented that it would be helpful to add a table that identified how much water was left in the river for various wet and dry years.
 - Resource: [Tuolumne River Flows and Diversions](#)

Staff Kothari responded that the yield of the projects is how much the SFPUC can receive without taking water from the Tuolumne in dry years.

- **Member Perszyk** asked if that could be visually demonstrated.

Member Kott responded that it would help weigh how much impact a project has.

Chair Clary responded that it would help show which projects are more helpful in a drought.

- **Member Jacuzzi** asked about knocking off one year from the design drought.

Chair Clary responded that the discussion of whether a design drought should be seven or eight years is unprofessional, and instead, they should look at what the triggers are for a five-year plan. She noted that, despite the 20-year drought we've been having, the SFPUC was never in danger of having a water supply issue, which is progress that the SFPUC has made. They should be thinking of how they can share their good fortune with the species that are overstressed in the Tuolumne River. Chair Clary then asked about the 244 mgd demand in 2045 and whether all the different systems are expecting a 30% increase in water use even though there has been a 30% decrease in water use over the last two decades. She also asked if the SFPUC could think about differential pricing where people who were giving big demand increases to the SFPUC are required to pay for the projects identified in the AWSP that are needed to meet that increased demand. Lastly, Chair Clary asked if Brisbane was going to increase their water use by 50%.

Staff Kothari responded affirmatively but noted that the Baylands Development was not included in their demand number.

- **Member Perszyk** asked what BAWSCA's position would be on that idea.

Chair Clary responded that they would be opposed to it because they would be the ones paying for it.

- **Staff Kothari** commented that for the AWSP, the SFPUC wants to incentivize all customers to develop local supplies and reduce demand on the regional water system, which would benefit everybody. She noted that part of the proposal in the AWSP is for the SFPUC to work with BAWSCA to help develop that approach.
- **Member Jacuzzi** asked what local supplies would look like.

Staff Kothari responded that there is potential for potable water because people are relying on potable supply from the regional water system.

- **Chair Clary** asked if potable water production was being limited to 10% of the supply.

Staff Kothari responded that the 10% rule has to do with mixing and only applies over a 24-hour period.

- **Member Jacuzzi** asked if there were other sources besides purified water.

Staff Kothari responded that the geography would dictate what potential there is in different places and noted that the SFPUC is looking for a new water supply that has not been tapped enough.

- **Chair Clary** asked what the yield of the Westside Basin was.

Member Jacuzzi responded that the Westside Basin is overburdened.

- **Chair Clary** commented that the Basin is too small for indirect potable reuse but that should not apply to direct potable reuse. She noted that recycled water that cannot be put in the system can be put in the ground.

Staff Kothari responded that the SFPUC did a study for the Daly City Recycled Water Project to look at indirect potable reuse potential from that project. She commented that an issue was that Daly City did not have space for the additional treatment that was required, and they did not have sufficient well sites to put that water in. Staff Kothari added that if these issues can be resolved then there would be potential for purified water injection in indirect potable reuse for the Westside Basin.

- **Member Perszyk** commented that there should be language added to include the modularity of being able to add capacity in the future.
- **Chair Clary** asked what the maximum potential to produce direct potable reuse at the Westside Basin was.

Staff Kothari responded that it is 38 mgd on the east side and between 4 and 5 mgd on the west side with more room to expand on the east side.

- **Member Nagengast** asked what the ratio was between what the SFPUC purchased and what the demand was for any given year.

Staff Kothari responded that she does not have those numbers, but it is a fact that their use has been lower than the projections. She noted that the SFPUC is trying to do a better job of calibrating that, but a large portion of their overall demand does rely on their wholesale customers to provide them with their demand.

- **Member Nagengast** commented that she appreciated the graphic that depicted the six projects, but she would like to see them in the context

of the year they could get implemented to better understand where things have been uncertain historically. She noted that she would like to see demand projections versus purchases from a customer perspective, and to visually understand things better, she would like to see things on a time-based scale.

Staff Kothari clarified if that meant seeing the demand projections and potential supply together and how that gap is changing with the implementation of the projects in five-year increments.

- **Member Perszyk** commented that alternative water supply projects are expensive and asked if there will be a return on investment for water supply from the grant programs.

Staff Kothari responded that the first three years of working on the AWSP was focused on procuring and the feasibility of the projects but now they are looking into hiring somebody who prioritizes financial analysis because affordability is a key issue.

Public Comment:

- **Dave Warner** commented that the SFPUC should consider the general public as the audience for the AWSP. He noted that the executive summary makes it sound like future demand is fixed but that is far from the case. Warner added that Commissioner Ajami had pointed out how the SFPUC has an old school centralized approach to water and how she hoped for a decentralized approach in the future where households would use SFPUC water just for drinking, cooking, showering, and the rest of the water would be recycled in-house. He commented that the executive summary needs to show that demand is more uncertain than what is shown in the AWSP because demand uncertainty is the biggest challenge to making alternative water supply decisions, particularly when the cost structure is so high.
- **Peter Drekmeier** commented that a big issue is that the SFPUC does not want to run out of water, but they also do not want to over-invest in expensive alternative water supplies. He noted that if the SFPUC did build out the 92 mgd of perceived demand, that would cost about \$300 million per year, which would be spread out amongst the rate payers. Drekmeier added that the Urban Water Management Plan used Plan Bay Area while BAWSCA included a sensitivity analysis with their demand study at the end of 2022, which looked at population growth by using the California Department of Finance projections. He commented that the projections showed that BAWSCA's demand would remain flat for the next 25 years while Plan Bay Area projected that San Francisco will grow twice as fast in the next 15 years after 2020 than it did in the 15 years before 2020. Drekmeier noted that San Francisco was investing in infrastructure storage at a time when demand projections were suggesting that they would be using 400 mgd, which is twice the amount being used today. He added that alternative water supplies are like water conservation because the idea is that they will benefit the environment, but that water does not end up in the environment if the reservoirs have storage capacity.

6. **Discussion: Water CAC FY 2023-2024 Priorities**, Jennifer Clary, Water CAC Chair

- Resource: [Citizens Advisory Committee Annual Report FY 21-22](#)

Discussion

- **Member Perszyk** asked whether the tribal land management issue should be a part of the Water Subcommittee or if it should go to the Full CAC.

Chair Clary responded that she would check with the Full CAC Chair.

- **Chair Clary** commented that the CAC does not focus on water rates because that is a topic for the Rate Fairness Board.
- **Member Perszyk** commented that for the SF Groundwater Project, the Water Subcommittee should investigate the San Francisco Groundwater Feasibility Study.
- **Chair Clary** commented that the Water Subcommittee, excluding herself and Sandkulla, should watch the Bay Delta Plan hearings to come up questions/comments.

Member Kott responded that it was a great idea and noted that it would be a public meeting to make sure the rules of quorum are met.

- **Chair Clary** commented that the Alternative Water Supply should not be included in the list of priorities for the upcoming year because they just covered that. She noted that the Emergency Firefighting Water System topic should stay on the list because there was an ordinance passed to discuss that every year. Chair Clary added that Commissioner Ajami did not seem interested in the diversity and inclusion topic when it was brought up to her attention at the recent Full CAC meeting.

Member Perszyk responded that she seemed interested but perhaps SFPUC staff was not making her aware of all the problems.

- **Member Kott** commented that the SFPUC now has a DEI (Diversity, Equity, and Inclusion) Director who oversees everything.

Chair Clary responded that it was hard to know where Diversity, Equity, and Inclusion fit in the budget, so she would check with the Full CAC Chair about that topic.

- **Member Nagengast** asked when should demand projections be discussed.

Chair Clary responded that the Urban Water Management is done every five years, so the next iteration of it would be in 2025. She then noted the priorities for the 2023-2024 fiscal year. Chair Clary commented that Jacuzzi will oversee the SF Groundwater Project, Perszyk will oversee Infrastructure and the Water Capital Plan, Kott will oversee Hiring Practices/Labor Force Turnover, Nagengast will oversee Demand Projections, and all the Water Subcommittee members except for Chair Clary and Sandkulla will focus on the Bay Delta Plan and Voluntary Settlement. Lastly, Chair Clary noted that it should be a priority to have Assistant General Manager Steve Ritchie

present to the Water Subcommittee on budget and the Water Enterprise's priorities.

Public Comment:

- **Dave Warner** commented that the sensitivity analysis with the BAWSCA Demand Study is fascinating, and it would be great to have the SFPUC do it as well. He noted that it is a big ask for Water Subcommittee members to watch the Bay Delta Plan hearings and recommended having the SFPUC and the NGOs (non-governmental organization) present to the Water Subcommittee instead.

7. Staff Report

- No report from Staff

Public Comment: None

8. Future Agenda Items and Resolutions

Standing Subjects

- Groundwater
- Water Quality

Specific Subjects

- Tribal Land Acknowledgment Resolution – *tentatively October*
- AGM Steve Ritchie Visit – *tentatively October*
- BAWSCA Demand Projections – *tentatively October*
- Emergency Firefighting Water System Update - *Sept. Full CAC Topic*
- Affordability – *Tentatively Full CAC topic*
- Green Infrastructure - *Tentatively WW Topic*
- Integrating Tribal Leaders into SFPUC Land Management Decisions
- State Board Water Rights
- Water Enterprise Environmental Stewardship Policy Implementation Report
- Debate about Bay Delta – Member Sandkulla suggested everyone watch the February 5, 2021, Commission workshop about the Voluntary Agreement
- COVID and Long-term Affordability Program
- Implementation of the Bay Delta Plan Flow Requirement
- Hetch Hetchy Water and Power Division Update
- State Policy and Programs on Affordability or Low-Income Rate Assistance (LIRA)
- Bay Delta Plan and voluntary settlement agreement
- Legislative Update
- State of the Regional Water System Report – Bi-annual report
- Drought resilience: 3-year water supply update
- Water Equity and Homelessness
- State of Local Water Report
- Retail Conservation Report
- Harry Tracy Water Treatment Plant tour

Adopted Resolutions for Follow Up

- Resolution in Support of a Resilient Water Supply [adopted August 17, 2021](#)
- Resolution in Support of the Southern Skyline Boulevard Ridge Trail Extension Project [adopted April 20, 2021](#)

- Resolution in Support of Interim Emergency Rate Assistance Program and Revised Community Assistance Program [adopted July 21, 2020](#)
- Resolution in Support of Improved Communications Related to the San Francisco Groundwater Supply Project [adopted August 21, 2018](#)
- Resolution in Supporting Stewardship and Public Access in the Redeveloped Lake Merced West Property [adopted in March 15, 2016](#)
- Resolution on Impacts of Drought on System Maintenance and Improvements [adopted January 19, 2016](#)

Public Comment: None

9. Announcements/Comments Please visit www.sfpuc.org/cac for final confirmation of the next scheduled meeting, agenda, and materials.

- **Member Jacuzzi** commented that the SFPUC website should list specific dates for when CAC meetings are held.
- **Chair Clary** commented that the CAC should consider a different location to hold their meetings.

Public Comment:

- **Peter Dreke** commented that at the recent Commission meeting, Commissioner Ajami recommended moving general public comment back to the beginning of the meeting.

10. Adjournment

Motion was made (Kott) and seconded (Jacuzzi) to adjourn the meeting.

Meeting was adjourned at 7:18 pm.