San Francisco Water Power Sewer
Services of the San Francisco Public Utilities Commission

State Water Resources Control Board (SWRCB) Revised Substitute Environmental Document (SED)

Potential Impact on San Francisco Bay Area

ISSUE

The SWRCB has proposed to update part of California's 2006 Bay-Delta Plan, which is designed to protect water quality in the Sacramento-San Joaquin Delta Estuary. In order to improve conditions for fish and wildlife (primarily salmon and steelhead), the SWRCB is proposing to increase the San Joaquin River flow objectives (i.e., release more river water from the San Joaquin River tributaries into the Delta). In 2012, they released the original CEQA document (SED) proposing 35% unimpaired flow on the Stanislaus, Tuolumne and Merced Rivers. In September 2016, they updated this recommendation to 40% unimpaired flows.

IMPACTS

The San Francisco Public Utilities Commission's (SFPUC) 2.6 million water customers in San Francisco and neighboring areas obtain **85%** of their water from the Tuolumne River. Increasing unimpaired river flows to 35 or 40% greatly limits this water supply and has severe implications for the San Francisco Bay Area.

Our analysis of the 2012 recommendation (35% unimpaired flows) shows a significant economic hit to our service area:

- ***50% shortage of water*** due to rationing during droughts
- Economic impact of ***188,000 jobs lost***
- ***$49 billion*** annual cost to the local economy

We are now performing an extensive analysis of the new 2016 proposal (3500+ pages) at 40% unimpaired flows. We anticipate:

- ***Substantial job loss and dollar costs*** (new analysis forthcoming)
- Inability to satisfy our legal obligation of providing our permanent Wholesale Customers 184 million gallons per day
- Without a predictable water supply, we are ***jeopardizing growth and development across the Bay Area including much needed housing projects from San Francisco to San Jose***
    - Cities such as San Jose and Santa Clara who want to become permanent customers will not be able to get guaranteed water supplies from SFPUC
    - East Palo Alto has already halted 11 development projects because the city cannot guarantee water supplies
- ***Severe water shortage and rationing*** (new analysis forthcoming)
    - San Francisco has one of the lowest per capita residential water use statistics in the state at 41 gallons per person, per day and our wholesale customers outside the city use 60 gallons per day, still well below the average of 83 in the state
    - No major metropolitan area in the country has usage this low
    - For example, if San Francisco had to reduce water use by 40%, that would limit us to 25 gallons per person, per day

SED recommendations to mitigate effects on San Francisco are infeasible

The 2016 SED concludes incorrectly that San Francisco would not have major impacts because we could obtain additional water through other means:

- Water transfers: Especially during times of drought, it is unrealistic to expect other parties who need the water themselves would sell us their water
- Desalination: Plants are expensive and only provide a small percentage of what we need; they have potential negative environmental impacts and can take decades to build
    - Desalinating water is an energy intensive process. The residual concentrate has potential negative effects when it is discharged back to the Bay
    - The minimum timeline for a new major plant is 12 years but more commonly can take 20+ years
- In-Delta diversion: There are many other water rights holders in the Delta. Because we would be last in line, we would not get water in times of drought as a junior water rights holder. On top of that, we would need to construct a new water filtration facility at a cost well in excess of a billion dollars.

Even *if* we could obtain additional water supplies, it would result in significant rate increases to develop or obtain new sources, on top of all the capital improvements that we are in the process of doing.

SOLUTIONS

The SFPUC is very committed to improving the conditions for fish and wildlife on the San Joaquin Estuary as we have worked extensively for decades in collaboration with others. It is a complicated problem with many factors; in the 1990's, flow was increased but the population of fish decreased.

Solutions must include both flow and non-flow measures to improve habitat conditions on the Tuolumne River while providing customers with reliable water supply:

- Optimizing current flow schedule based on the latest science
    - More flexibility on amount and timing of the flow including which months
- Non-flow measures supported by 35 recently completed studies on fishery habitat including:
    - Predator control (many juvenile migratory fish are eaten by predators such as striped bass)
    - Gravel augmentation (improved spawning habitat for migratory fish)
    - Large woody debris (improved rearing habitat for migratory fish)

NEXT STEPS

Comments on the proposal are due to the SWRCB by January 17, 2017 and they are planning to consider approving the SED in **July 2017**.

A negotiated settlement is better than 20 years of litigation and no action.

Instead of adopting a flawed plan, we believe the best solution is a voluntary agreement with the SFPUC and other affected stakeholders including the Turlock and Modesto Irrigation Districts. This negotiated settlement would be a critical part of a larger solution to the state's water issues including the California Water Fix and Sacramento River flows. Without a negotiated settlement, stakeholders can engage in litigation with the SWRCB for 20 years before a settlement is reached. This delay would be costly for all involved, especially for fish and wildlife populations, which will continue to decline in the meantime.

If you have any questions, please contact Emily Lam, Director of Government Affairs, at **EmLam@sfwater.org**.