

(sent on LWV of San Francisco letterhead)

November 21, 2005

President Sklar and Commissioners Brooks, Moller-Caen, Normandy, Werbach
San Francisco Public Utilities Commission
1155 Market Street, Fourth Floor
San Francisco, CA 94103

Re: Regional Water System Improvement Program Revisions

Dear Commissioners:

The League of Women Voters of San Francisco (LWVSF) and the League of Women Voters of the Bay Area (LWVBA) support the San Francisco Public Utilities Commission's recent effort to conduct an independent review of the Regional Water System Improvement Program. We welcome the opportunity to comment on the program revisions that grew out of that review and support many of General Manager Leal's recommendations.

Presented here are recommendations for further clarification and strengthening of the proposed WSIP revisions in the areas of San Joaquin Pipeline System, Watershed Land Acquisition Program, Regional Recycled Water Project, Regional Groundwater Project, Regional Desalination, Calaveras Dam Replacement. This letter also recommends additions to the WSIP that address shortcomings identified in the independent review. As you will note, our recommendations echo those of several environmental organizations that have been giving input into the Regional Water System Improvement Program.

San Joaquin Pipeline System

We support the proposed revision to this project. We suggest the project description state the expected capacity of the San Joaquin Pipeline System once the project (cross-connections, repairs, and additional nine-mile pipeline) is complete.

Watershed Land Acquisition Program

Below are comments on several aspects of the Watershed Land Acquisition Program:

- Program Definition (with suggested language provided in "strike-out" format)
- Level of Service
- Level of Investment
- Sample Projects

Program Definition

We support including a Watershed Protection Program in the WSIP. However, this program should not be viewed as just a facet of the Water Quality program, but as a fulfillment of the SFPUC's stewardship responsibilities, as expressed in the Stewardship Policy that has been adopted by the Commission, as well as a means to achieve the sustainability objective set out in the WSIP.

As you know, Proposition A provides that bond funding for the WSIP can be spent on watershed and environmental improvement projects. That is, projects with the goal of improving the natural conditions in the watersheds, which include but are not restricted to projects that would improve drinking water quality or mitigate for harm caused by the other WSIP projects, can be funded through this program. Given SFPUC's extensive land management responsibilities, we recommend expanding the definition of the Watershed Program to include watershed improvement projects such as habitat restoration. Included below are specific edits to the language in the document (deleted in strike-out and additions in bold):

2.6.2 Watershed ~~Land Acquisition~~ and Environmental Improvement Program

The primary purpose of the Watershed ~~Land Acquisition~~ and **Environmental Improvement** Program is to protect and restore ~~mission-critical~~ lands within the hydrologic boundaries of the Alameda Creek, the Peninsula and Tuolumne River Watersheds. ~~Watershed P~~protection and ~~restoration can~~ will be accomplished through the acquisition of conservation easements, fee title, and/or private-public partnerships on these lands to ensure the delivery of high quality water to Bay Area communities and the preservation of significant ecological resources within our source watersheds. **Improving ecosystem function, habitat quality, and appropriate public enjoyment of these resources will also be accomplished under this program. Restoration projects will be planned and implemented to address issues such as fish passage, riparian habitat degradation, and sensitive species recovery. The restoration projects will take place both above SFPUC dams and throughout the watersheds impacted by SFPUC facilities.**

The Public Utilities Commission owns nearly 63,000 acres of watershed lands in the Bay Area. Approximately 23,000 acres are situated in the headwaters of the San Mateo and Pilarcitos Creek Watersheds located on the San Francisco Peninsula in San Mateo County. This represents approximately 98% of the hydrologic watershed and provides nearly optimal protection. In Alameda and Santa Clara Counties, however, ownership is limited to about 40,000 acres of land situated below the headwaters of the Southern Alameda Creek Watershed. This land represents only one third of the hydrologic watershed, with nearly 90,000 acres of contributing watershed land beyond the control of the SFPUC.

~~In 1994 the City's Budget Analyst performed a Management Audit of the SFPUC's Water Department and noted the need to acquire critical lands recommending that revenues realized by the sale of surplus property be used for that purpose. Since that time, the SFPUC has established policies to acquire critical watershed lands. These policies reflect the need to gain greater control of watershed lands in order to sustain water resource values, such as the protection of water quality, water rights, and water storage capacities. Although some of its surplus lands have been sold, the SFPUC has not followed through on their policies to acquire or control key watershed lands.~~

The San Francisco District Office, Drinking Water Field Operations Branch of the California Department of Health Services, supports acquisition of critical watershed lands by the SFPUC. The Department of Health Services has stated in correspondence with the SFPUC that the "...level of watershed protection provided is the single most important factor in our determination of the type and level of treatment required for surface water

supplies.” Controlling land use and access on watershed lands is an effective measure to minimize potential contaminants in water supply and source water. The increasing urbanization of the Bay Area could adversely impact watershed lands that are not under the control of the SFPUC, particularly in the Alameda Watershed where the SFPUC owns less than 30% of the land within the hydrologic boundary.

The Watershed ~~Land Acquisition~~ **and Environmental Improvement** Program will include the comprehensive identification of critical watershed lands **and ecosystem restoration needs** within the hydrologic boundaries of the Alameda, Peninsula and Tuolumne River Watersheds and prioritize and initiate the **protection and/or restoration acquisition or control** of these lands. Bond funding of this program through WSIP will provide funding to ~~gain control of~~ **protect and restore** critical watershed lands concurrent with other projects to meet WSIP water quality **and stewardship** objectives within the program schedule.

Levels of Service

We urge the SFPUC to establish a level of service to provide freshwater flows in order to improve the health of streams and rivers impacted by SFPUC operations, including the restoration of native fisheries. This would include Alameda and Pilarcitos Creek, as well as the Tuolumne River.

We recommend creating specific levels of service for Watershed Stewardship to ensure the stewardship policy is effective and to address shortcomings identified in the independent review.

The levels of service for environmental stewardship should relate directly to the conditions present in the watersheds that are affected by the water system – the Tuolumne watershed, Alameda watershed and the Peninsula watershed.

In particular, the SFPUC should establish levels of service for the recovery of sensitive species and the restoration of natural processes. For example, a level of service could be established for the recovery of sensitive wildlife species such as the California red-legged frog, California tiger salamander, Townsend’s western big-eared bat, and steelhead trout in the Alameda Watershed.

With levels of service in place for each watershed, the SFPUC will be able to integrate water system improvement activities with its stewardship goal.

Level of Investment

We recommend increasing the investment in this program from \$10 million to \$100 million. With the program slated to continue until 2013, this would be an annual investment of approximately \$12.5 million. This level of investment is comparable to other utilities with similar water systems and land management responsibilities. For example, Seattle Public Utilities (SPU), which manages the 91,339-acre Cedar River watershed to supply clean drinking water to 1.3 million people in the greater Seattle area, had a budget of \$28.5 million for Environmental Stewardship and Habitat Conservation in the years 2003, 2004, and 2005. New York, which also imports its water from a far away, relatively pristine watershed, spent \$58 million (of their total commitment of \$270 million) to acquire lands for watershed protection from 1997 to 2001.

Sample Projects

Below are some specific examples of capital projects recommended for funding through a WSIP Watershed and Environmental Improvements Program. The SFPUC should develop a cohesive program based on levels of service that would include additional projects. These projects are illustrative of the existing need and can be used to generate preliminary costs and schedules for the program.

Sample habitat restoration projects in the Tuolumne watershed include restoration of aspen stands, riparian habitat, and wet meadows, as well as projects to control erosion and sediment pollution (e.g. \$1.5M Clavey watershed road erosion; \$2.0M Bell Meadow restoration). There is \$160M currently identified need for floodplain and instream habitat restoration on the Lower Tuolumne.

Stewardship needs in the Bay Area include urban stream restoration, fish passage improvement, land acquisition, pollution prevention and cleanup, and recreation improvements. In the Pilarcitos Creek watershed, Old Stone Dam prevents upstream steelhead migration and conservation easements in the floodplain could improve steelhead habitat. There is a 9.2-acre parcel at the North End of Crystal Springs that could be acquired, and the trail from San Andreas Lake to Sneath Lane area needs completing. Lake Merced is in need of pollution prevention and cleanup to improve water quality and a program to increase the lake level without re-directing impacts to other watersheds. Finally, habitat for the Western Pond Turtle and other species of interest needs improvement.

In the East Bay, the Alameda and Calaveras Creek watersheds offer vast stewardship opportunities. The Alameda Creek Diversion Dam could be modified or removed to improve steelhead habitat (estimated \$4M). Fish passage and habitat enhancement needs in the Sunol Valley reach an estimated \$5M. The Lower Alameda Creek needs fish ladders and screens (estimated \$10M). A Watershed Education Center in Sunol Valley would cost an estimated \$1M.

Regional Recycled Water Project

We support the proposed revision to investigate recycled water project opportunities in the entire service territory. Page WSIP-16 of the draft report states “The revised program will implement two projects identified in the Urban Water Management Plan and also will explore the possibility of partnering with other suburban customers in this program.” Unfortunately, the project description (page 2-18) provides little information about the regional aspect. This needs to be more thoroughly defined and the process under which the SFPUC will prioritize such projects explained. We suggest that the following be included as prioritization criteria:

- Projects that will address wastewater issues
- Environmental costs and benefits
- Cost-effectiveness

Regional Groundwater Project

The description of Regional Groundwater should include a statement regarding groundwater opportunities that may be developed as a result of the wholesale customer groundwater survey that the SFPUC is currently conducting. The description should not limit regional opportunities solely to San Mateo County. As with regional recycling, the process under which the SFPUC

will prioritize projects should also be explained. We suggest the prioritization criteria include the following:

- Water Quality
- Ability to recharge aquifer with local source water
- Cost-effectiveness

Regional Desalination

We suggest the program description include more information about this project, such as: current stage of the feasibility study; results of the investigations to date; what activities the WSIP will fund; and when and how the SFPUC intends to evaluate the appropriateness of future investments in this project. We are concerned about the potential environmental, energy, and environmental justice impacts of a Bay Area desalination plant. We urge the SFPUC to investigate the use of renewable energy sources to power such a plant, and prioritize projects that result in low or no levels of particulate emissions.

Calaveras Dam Replacement

While we appreciate the importance of the Calaveras Dam Replacement Project from a seismic safety perspective, this project will incur significant environmental impacts. We urge the PUC to include specific restoration actions and environmental benefits in this project. For example, one stated purpose and description of the Calaveras Dam Replacement Project should be to keep native fish populations, including those downstream of Calaveras Dam, downstream of the Alameda Diversion Dam, and in Calaveras Reservoir, in good condition; to restore lost habitat for anadromous steelhead trout in Alameda Creek; and to restore ecosystem function below SFPUC diversions.

We urge the SFPUC to restrict the design and engineering of this project to that required for the storage capacity identified as appropriate in the Program, 97 TAF. In an area that is adjacent to two wilderness areas, engineering the structure for later expansion will increase the threat to habitat in this region, and is contrary to the SFPUC's adopted stewardship policy.

We recommend that the following elements be included as fundamental components of the Project:

- Avoid impacts to listed species and their habitat, and provide full and meaningful mitigations if such impacts cannot be avoided;
- Provide for anadromous fish passage (including upstream migration of adult steelhead and out-migration of steelhead smolts) at Calaveras Dam and Alameda Diversion Dam;
- Provide sufficient water stream flows to meet the SFPUC's legal responsibilities to keep native fish and wildlife in Alameda Creek in good condition, and to provide adequate flows for spawning, rearing and out-migration of steelhead trout;
- Restore ecosystem function below Calaveras Dam and the Alameda Diversion Dam;
- Design reservoir infrastructure and operations to protect the trout population in Calaveras Reservoir.

Alameda Creek Fishery Enhancement Project

We note that this project is included in the draft program, with a schedule delay the only change. We continue to urge the SFPUC to remove this misleadingly-named project from this program. The cost to fish populations in Alameda Creek far outweighs the minimal water supply benefit to the system.

Recommended Additions to Project

Conservation has not been included in this program, although conservation is an appropriate capital expenditure. Our understanding is that the SFPUC and BAWSCA staff are preparing a matrix, to be completed in November, of conservation and other actions which would allow the service area to meet its projected 2030 demand without taking additional water from the Tuolumne or other surface water. The capital investment needed to implement an aggressive conservation program should be evaluated as part of that process, and included in the final draft of this document. An aggressive water conservation program would mean full implementation of the water conservation Best Management Practices (BMPs), as defined by the California Urban Water Conservation Council (CUWCC), and early implementation of proven new options not currently part of the BMPs.

Closing

Thank you for considering our comments. We are strong advocates of supplying high water quality and system reliability to the system while operating the system as good stewards of the watersheds that provide this vital resource to the Bay Area. We look forward to working with staff and Commissioners to ensure that these goals are achieved in an equitable and timely manner. We also urge San Francisco to work closely with the Bay Area Water and Supply Conservation Agency (BAWSCA)

Sincerely,

Jody Sanford
President
LWVSF

Linda Craig
President
LWVBA

cc: BAWSCA