

## PUBLIC UTILITIES COMMISSION

City and County of San Francisco

RESOLUTION NO. 08-0200

WHEREAS, the San Francisco Public Utilities Commission approved and adopted a Long-Term Strategic Plan for Capital Improvements, a Long-Range Financial Plan, and a Capital Improvement Program on May 28, 2002 under Resolution No. 02-0101; and

WHEREAS, the San Francisco Public Utilities Commission determined the need for the Water System Improvement Program (WSIP) to address water system deficiencies including aging infrastructure, exposure to seismic and other hazards, maintaining water quality, improving asset management and delivery reliability, and meeting customer demands; and

WHEREAS, Propositions A and E passed in November 2002 by San Francisco voters and Assembly Bill No. 1823 was also approved in 2002 requiring the City and County of San Francisco to adopt a capital improvement program designed to restore and improve the regional water system; and

WHEREAS, the San Francisco Public Utilities Commission staff developed a variant to the WSIP referred to as the Phased WSIP; and

WHEREAS, the two fundamental principles of the program are 1) maintaining a clean, unfiltered water source from the Hetch Hetchy system, and 2) maintaining a gravity-driven system; and

WHEREAS, the overall goals of the Phased WSIP for the regional water system include 1) Maintaining high-quality water and a gravity-driven system, 2) Reducing vulnerability to earthquakes, 3) Increasing delivery reliability, 4) Meeting customer water supply needs, 5) Enhancing sustainability, and 6) Achieving a cost-effective, fully operational system; and

WHEREAS, on October 30, 2008, the Planning Commission reviewed and considered the Final Program Environmental Impact Report (PEIR) in Planning Department File No. 2005.0159E, consisting of the Draft PEIR and the Comments and Responses document, and found that the contents of said report and the procedures through which the Final PEIR was prepared, publicized and reviewed complied with the provisions of the California Environmental Quality Act (CEQA), the CEQA Guidelines and Chapter 31 of the San Francisco Administrative Code ("Chapter 31") and found further that the Final PEIR reflects the independent judgment and analysis of the City and County of San Francisco, is adequate, accurate and objective, and that the Comments and Responses document contains no significant revisions to the Draft PEIR, and certified the completion of said Final PEIR in compliance with CEQA, the CEQA Guidelines and Chapter 31 in its Motion No. 17734; and

WHEREAS, this Commission has reviewed and considered the information contained in the Final PEIR, all written and oral information provided by the Planning

Department, the public, relevant public agencies, SFPUC and other experts and the administrative files for the WSIP and the PEIR; and

WHEREAS, the WSIP and Final PEIR files have been made available for review by the San Francisco Public Utilities Commission and the public, and those files are part of the record before this Commission; and

WHEREAS, San Francisco Public Utilities Commission staff prepared proposed findings, as required by CEQA, (CEQA Findings) and a proposed Mitigation, Monitoring and Reporting Program (MMRP), which material was made available to the public and the Commission for the Commission's review, consideration and action; and

WHEREAS, the Phased WSIP includes the following program elements: 1) full implementation of all WSIP facility improvement projects; 2) water supply delivery to regional water system customers through 2018; 3) water supply sources (265 million gallons per day (mgd) average annual from SFPUC watersheds, 10 mgd conservation, recycled water, groundwater in San Francisco, and 10 mgd conservation, recycled water, groundwater in the wholesale service area); 4) dry-year water transfers coupled with the Westside Groundwater Basin Conjunctive Use project to ensure drought reliability; 5) re-evaluation of 2030 demand projections, regional water system purchase requests, and water supply options by 2018 and a separate SFPUC decision by 2018 regarding water deliveries after 2018; and, 6) provision of financial incentives to limit water sales to an average annual 265 mgd from the SFPUC watersheds through 2018; and

WHEREAS, the SFPUC staff has recommended that this Commission make a water supply decision only through 2018, limiting water sales from the SFPUC watersheds to an average annual of 265 mgd; and

WHEREAS, before 2018, the SFPUC would engage in a new planning process to re-evaluate water system demands and water supply options. As part of the process, the City would conduct additional environmental studies and CEQA review as appropriate to address the SFPUC's recommendation regarding water supply and proposed water system deliveries after 2018; and

WHEREAS, by 2018, this Commission will consider and evaluate a long-term water supply decision that contemplates deliveries beyond 2018 through a public process; and

WHEREAS, the SFPUC must consider current needs as well as possible future changes, and design a system that achieves a balance among the numerous objectives, functions and risks a water supplier must face, including possible increased demand in the future; now, therefore, be it

RESOLVED, this Commission hereby adopts the CEQA Findings, including the Statement of Overriding Considerations, attached to this Resolution as Attachment A and incorporated herein as part of this Resolution by this reference thereto, and adopts the Mitigation Monitoring and Reporting Program attached to this Resolution as Attachment B and incorporated herein as part of this Resolution by this reference thereto; and, be it

FURTHER RESOLVED, this Commission hereby approves a water system improvement program that would limit sales to an average annual of 265 mgd from the watersheds through 2018, and the SFPUC and the wholesale customers would

collectively develop 20 mgd in conservation, recycled water, and groundwater to meet demand in 2018, which includes 10 mgd of conservation, recycled water, and groundwater to be developed by the SFPUC in San Francisco, and 10 mgd to be developed by the wholesale customers in the wholesale service area; and, be it

FURTHER RESOLVED, the San Francisco Public Utilities Commission shall set aggressive water conservation and recycling goals, shall bring short and long-term conservation, recycling, and groundwater programs on line at the earliest possible time, and shall undertake every effort to reduce demand and any further diversion from the San Francisco Public Utilities Commission watersheds; and, be it

FURTHER RESOLVED, San Francisco Public utilities Commission staff shall provide ongoing updates to this Commission about the progress and development of conservation, recycling, and groundwater programs, and shall provide annual figures and projections for water system demands and sales, and provide water supply options; and, be it

FURTHER RESOLVED, As part of the Phased WSIP, this Commission hereby approves implementation of delivery and drought reliability elements of the WSIP, including dry-year water transfers coupled with the Westside Groundwater Basin Conjunctive Use project, which meets the drought-year goal of limiting rationing to no more than 20 percent on a system-wide basis; and, be it

FURTHER RESOLVED, This Commission hereby approves the Phased Water System Improvement Program, which includes seismic and delivery reliability goals that apply to the design of system components to improve seismic and water delivery reliability, meet current and future water quality regulations, provide for additional system conveyance for maintenance and meet water supply reliability goals for year 2018 and possibly beyond; and, be it

FURTHER RESOLVED, This Commission hereby approves the following goals and objectives for the Phased Water System Improvement Program:

#### Phased WSIP GOALS AND OBJECTIVES

Program Goal	System Performance Objective
Water Quality – <i>maintain high water quality</i>	<ul style="list-style-type: none"><li>• Design improvements to meet current and foreseeable future federal and state water quality requirements.</li><li>• Provide clean, unfiltered water originating from Hetch Hetchy Reservoir and filtered water from local watersheds.</li><li>• Continue to implement watershed protection measures.</li></ul>

Program Goal	System Performance Objective
<i>Seismic Reliability – reduce vulnerability to earthquakes</i>	<ul style="list-style-type: none"> <li>• Design improvements to meet current seismic standards.</li> <li>• Deliver basic service to the three regions in the service area (East/South Bay, Peninsula, and San Francisco) within 24 hours after a major earthquake. Basic service is defined as average winter-month usage, and the performance objective for design of the regional system is 229 mgd. The performance objective is to provide delivery to at least 70 percent of the turnouts in each region, with 104, 44, and 81 mgd delivered to the East/South Bay, Peninsula, and San Francisco, respectively.</li> <li>• Restore facilities to meet average-day demand of up to 300 mgd within 30 days after a major earthquake.</li> </ul>
<i>Delivery Reliability – increase delivery reliability and improve ability to maintain the system</i>	<ul style="list-style-type: none"> <li>• Provide operational flexibility to allow planned maintenance shutdown of individual facilities without interrupting customer service.</li> <li>• Provide operational flexibility to minimize the risk of service interruption due to unplanned facility upsets or outages.</li> <li>• Provide operational flexibility and system capacity to replenish local reservoirs as needed.</li> <li>• Meet the estimated average annual demand of up to 300 mgd under the conditions of one planned shutdown of a major facility for maintenance concurrent with one unplanned facility outage due to a natural disaster, emergency, or facility failure/upset.</li> </ul>
<i>Water Supply – meet customer water needs in non-drought and drought periods</i>	<ul style="list-style-type: none"> <li>• Meet average annual water demand of 265 mgd from the SFPUC watersheds for retail and wholesale customers during non-drought years for system demands through 2018.</li> <li>• Meet dry-year delivery needs through 2018 while limiting rationing to a maximum 20 percent system-wide reduction in water service during extended droughts.</li> <li>• Diversify water supply options during non-drought and drought periods.</li> <li>• Improve use of new water sources and drought management, including groundwater, recycled water, conservation, and transfers.</li> </ul>
<i>Sustainability – enhance sustainability in all system activities</i>	<ul style="list-style-type: none"> <li>• Manage natural resources and physical systems to protect watershed ecosystems.</li> <li>• Meet, at a minimum, all current and anticipated legal requirements for protection of fish and wildlife habitat.</li> <li>• Manage natural resources and physical systems to protect public health and safety</li> </ul>
<i>Cost-effectiveness – achieve a cost-effective, fully operational system</i>	<ul style="list-style-type: none"> <li>• Ensure cost-effective use of funds.</li> <li>• Maintain gravity-driven system.</li> <li>• Implement regular inspection and maintenance program for all facilities.</li> </ul>

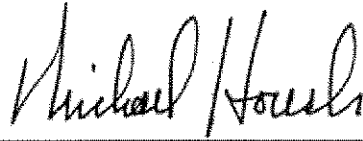
And, be it

FURTHER RESOLVED, This Commission authorizes and directs SFPUC staff to

design and develop WSIP facility improvement projects consistent with the Phased WSIP Goals and Objectives.

*I hereby certify that the foregoing resolution was adopted by the Public Utilities Commission at its meeting of October 30, 2008*

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A handwritten signature in cursive script that reads "Michael Howls".

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*Secretary, Public Utilities Commission*