

**WATER RESOURCES & CONSERVATION  
COMMITTEE MEETING SUMMARY MINUTES  
Wednesday, February 27, 2019  
4:15 p.m.**

**ATTENDANCE**

Directors: Paul Sethy (Chair), Aziz Akbari



Staff: Laura Hidas, Thomas Niesar, Stephanie Nevins, Evan Buckland, Leonard Ash,  
Megan Maurino

**DISCUSSION TOPICS**

1. Water Supply Outlook: Evan Buckland, Water Supply Supervisor, provided an update on the District's plan to meet 2019 water production demands. The Department of Water Resources increased the District's Table A allocation to 35% during February, resulting in an allocation of 14,700 acre-feet of water. The District is planning on returning 9,978 acre-feet of water stored in San Luis Reservoir to help meet 2019 demand. Semitropic returns are projected to be 0 acre-feet as a result of the increased Table A allocation, and staff is currently planning on purchasing the contractual minimum amount of San Francisco Public Utility Commission water, which is 8,600 acre-feet. Staff also estimates that 18,734 acre-feet of local water will be available to meet the 45,000 acre-feet of expected demands. The Alameda Creek Watershed is currently slightly above average precipitation totals for this time of year at a total of 14.68 inches. The water levels in Quarry Lakes rose to 35 feet during the month, and Below Hayward Fault basin levels are currently at 19.4 feet. The Committee reviewed current reservoir storage levels in both San Luis and Oroville Reservoirs and the latest 8- to 14-day, 30-day, and 90-day precipitation outlooks. The District's water supply outlook for 2019 is healthy, and the District will finish the year well prepared for calendar year 2020.

Director Sethy asked about the ability to move water to the Semitropic Water Bank, and inquired about how full the bank is. Staff responded by indicating that the District currently has about 137,000 acre-feet of storage, and is working with Semitropic to see if the bank can be filled up to the contractual maximum of 150,000 acre-feet this year.

2. SFPUC Water Supply Agreement Amendments: Leonard Ash, Water Resources Engineer, presented a summary of the seven amendments to the Water Supply Agreement with San Francisco Public Utilities Commission (SFPUC). The current Water Supply Agreement was finalized in 2009, and since then both SFPUC and Bay Area Water Supply and Conservation Agency (BAWSCA) have identified the need to revise certain terms of that agreement. In September, 2018, the Board authorized BAWSCA to negotiate with SFPUC on behalf of the District for these proposed amendments. BAWSCA and SFPUC have completed their negotiations, and on December 11, 2018, SFPUC approved seven amendments to the agreement. The Board will be considering approval of these amendments at their next meeting on March 14, 2019.

The attached table describes in general terms the seven amendments. The first four amendments were identified by BAWSCA, while the last three amendments were proposed by SFPUC. These amendments do not diverge from the existing policies and spirit of the current Water Supply Agreement, and they do not change the basic contract structure.

Staff responded to questions from Directors Sethy and Akbari regarding the amendments and historical trends in SFPUC water supply usage.

3. Water Supply Assessment for Newpark Place Project: Megan Maurino, Water Conservation Specialist, provided an update on the Water Supply Assessment (WSA) request from the City of Newark (City) for the proposed Newpark Place Project (Project). Staff will bring the WSA for this Project to the Board for consideration on March 14, 2019. The Project site is located in eastern Newark, bounded by Mowry Avenue, Cedar Boulevard, Balentine Drive and Interstate 880 with a planning area of approximately 125 acres. The Project is a redevelopment of the existing Newpark Mall area with mixed use development. The proposed Project would provide 1,519 multifamily residential units, 108,208 square feet of retail space, 473,790 square feet of commercial space, and 360 hotel rooms. Because the Project exceeds 500,000 square feet, California Water Code Section 10910 requires the City to formally request that the District prepare a WSA for the Project. Preliminary analysis determined total new demand for the Project is estimated at 417 acre-feet /year. (Subsequent to the February 27, 2019 Committee meeting, the analysis was finalized and the Project's total new demand increased by 17 acre-feet to an estimated 434 AF.)

The Project demand is consistent with the District's planning assumptions and is included in the District's demand forecast and water supply planning established in the 2015-2020 Urban Water Management Plan. Because the project is located in an area designated to receive recycled water, the WSA notes the requirement to install a non-potable distribution system and accommodate the potential future use of non-potable water for landscaping and other uses. The project must also be constructed with the latest technology related to water conservation measures. Staff noted that recent developments surrounding the Bay Delta Water Quality Plan (Delta Plan) may lead to a reduction in the District's imported water supply reliability which would in turn result in changed conclusions in the District's UWMP. Staff noted that at this time there is insufficient data and information available to assess impacts of the Delta Plan on the District's reliability and, therefore, the WSA addresses impacts of the Delta Plan under a discussion of uncertainty.

Staff responded to questions from Directors Sethy and Akbari regarding WSA thresholds and historical WSA findings.

4. Public Comments: There were no public comments.

### **RECOMMENDATIONS**

Topics discussed by the Committee were informational only, and no recommendations are being made.

**Summary of Seven Amendments to Water Supply Agreement with SFPUC**

<b>WSA AMENDMENT</b>	<b>ISSUE</b>	<b>OUTCOME</b>
1. Tier 1 Drought Allocation	This relates to the procedure for calculating how available water supplies are divided between San Francisco and wholesale customers during droughts. Various factors in the calculations have changed, notably lower water use by wholesale customers.	Change to existing formula to require a minimum 5% cutback by SFPUC's retail customers. Water saved as a result of the 5% reduction would be allocated to wholesale customers, while additional water conserved by retail customers would remain in storage for allocation in future successive dry years.
2. SFPUC 2018 Decisions Regarding San Jose and Santa Clara and Increase in Water Supply for Permanent Customers	The cities of San Jose and Santa Clara currently have interruptible contracts for water from SFPUC. The WSA requires that SFPUC decide by December 31, 2018 on whether to make San Jose and Santa Clara permanent customers of the SFPUC and whether to increase the supply assurance for permanent customers.	Extension of SFPUC's decisions to December 31, 2028 in order to evaluate water supplies and impacts on other wholesale customers. The amendment also extends the notification for potential termination of deliveries to San Jose and Santa Clara from 5 years to 10 years, to reflect a more reasonable timeline for developing alternative water supplies.
3. Oversight of SFPUC's Capital Improvement Program	BAWSCA has no contractual right to review and provide input on SFPUC's Capital Improvement Program (CIP).	Establishment of a process to allow BAWSCA and wholesale customers to provide input into CIP development and changes in Level of Service Goals, and requirement for quarterly reports on CIP implementation.
4. Asset Classification	Resolution of disputed SFPUC Regional Water System asset classifications is needed, which affect how costs are divided between San Francisco and the wholesale customers.	The proposed adjustments would ensure that wholesale customers pay only for the water supply benefits provided by the assets.
5. Wholesale Capital Fund	WSA provides for reconciliation of planned vs actual revenue funded capital expenditures in five-year intervals, which creates unintended consequences during implementation.	Shortened annual process intervals to provide greater stability in the annual determination of the Wholesale Revenue Requirement.
6. Water System Improvement Program (WSIP) Completion Date	WSA states that WSIP will be completed by December 31, 2015.	Revised WSIP completion date to December 30, 2021, as adopted by the SFPUC in March 2018.
7. Regional Groundwater Storage and Recovery Project (RGSRP)	The WSA has outdated language regarding operational and cost allocation responsibilities for the RGSRP.	Updated WSA language to provide additional detail regarding operation and allocation of capital and operating costs for the RGSRP.