

Alternative Water Supply Program Quarterly Report

December 2022



Photo: Harry Tracy Water Treatment Plant, April 2015

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Report Overview & Organization

The Quarterly Report for the Alternative Water Supply (AWS) Program provides an update to the SFPUC Commission, stakeholders, and the public on the status of regional and local water supply, storage and conveyance projects that are being planned to meet anticipated needs in the SFPUC's service area. The Quarterly Report provides updates every three months on program activities, but also contains discussion around relevant planning considerations, as well as background information so it can serve as a standalone document for the first-time reader.

This report provides updates on program and project-related activities that occurred between September and November 2022. The Quarterly Report is divided into three sections: Section 1. Program Highlights and Updates; Section 2. Status of Projects; and Section 3. Program Fundamentals.

Section 1. Program Highlights and Updates. This section provides a discussion of program-level planning activities and considerations. Within this section, there is a discussion around different *Quarterly Highlights* each quarter. The highlights provide detail on one or two key themes and information on how they relate to the program, in order to provide context for future decision-making. Also included in this section is an update on *Ongoing Program Activities*.

For this report's *Quarterly Highlight*, there is a **discussion of how the City and County of San Francisco, the largest customer of the Regional Water System, is developing its water supply strategy to increase resilience locally through the 2045 planning horizon and beyond.**

Section 2. Status of Projects. This section provides a summary of activities associated with each of the projects being evaluated as part of the AWS planning efforts. **The project status updates are broken out to include three to five sections based on their relevance:** *Project Background*, which provides a brief summary of the key elements and objectives of each project; *Current Planning Considerations*, which are included for context regarding the near-term activities for a project; and sections on *Activities This Quarter* and *Upcoming Activities* that are updated each quarter. **To provide a sense of the institutional complexity of the project, a schematic on *Project Partners & Interests* is included at the outset of each project section where the SFPUC is working with external partners.**

Section 3. Program Fundamentals. This reference section provides background information on AWS planning activities. It includes information on the rationale, priorities, structure, challenges, opportunities, schedule, and resources related to the program. **For the first-time reader, this section provides a complete preface to the AWS Program and may be a useful starting point in reading this Quarterly Report.**

Section 1. Program Highlights and Updates

1.1 Program Purpose (*UPDATED*)

The purpose of the Alternative Water Supply (AWS) Program is to evaluate new projects that will help meet future water supply needs in the San Francisco Public Utilities Commission (SFPUC) service area. The AWS Program looks beyond existing infrastructure and surface water supplies of the Regional Water System (RWS) and local groundwater sources, to new and diverse or “alternative” water supply options such as groundwater banking, surface water storage expansion with a potential for diverse water supply sources, water transfers, purified water¹ (potable reuse), desalination as well as technological innovations and other tools that can increase supply or reduce demand.

The central planning objective of the AWS Program is to augment RWS supplies to improve reliability in drought years to meet the retail and wholesale demands on the RWS through the 2045 planning horizon. Stated differently, the AWS Program sets out to try to fill the gap between anticipated supplies and demands on the RWS for retail and wholesale customers, which could be significant under future drought conditions. The water supply need for this program is calculated as the difference between the anticipated water supply provided through the RWS in dry years and projected purchases from the RWS in 2045 – after accounting for conservation and existing or planned local water supplies.

On the supply front, the water supply need accounts for factors such as the potential instream flow requirements that would affect available water supplies in dry years. On the demand side, the water supply need accounts for 1) the SFPUC’s contractual obligations to retail and wholesale customers including an additional 9 million gallons per day (mgd) for the two interruptible customers² (Cities of San Jose and Santa Clara); and 2) the 2045 projected demands from RWS as a source by both wholesale and retail customers. Based on the difference between the SFPUC’s anticipated total obligations³ and expected supply availability in the RWS, the additional water supply need would be 122 mgd by 2045. However, cumulative estimated purchase requests from customers of the RWS over the planning horizon are projected to be lower than the obligations.⁴ Comparing RWS demand projections to water supply availability in 2045, the need for new dry year water supplies would be 94 mgd (**Figure 1**).

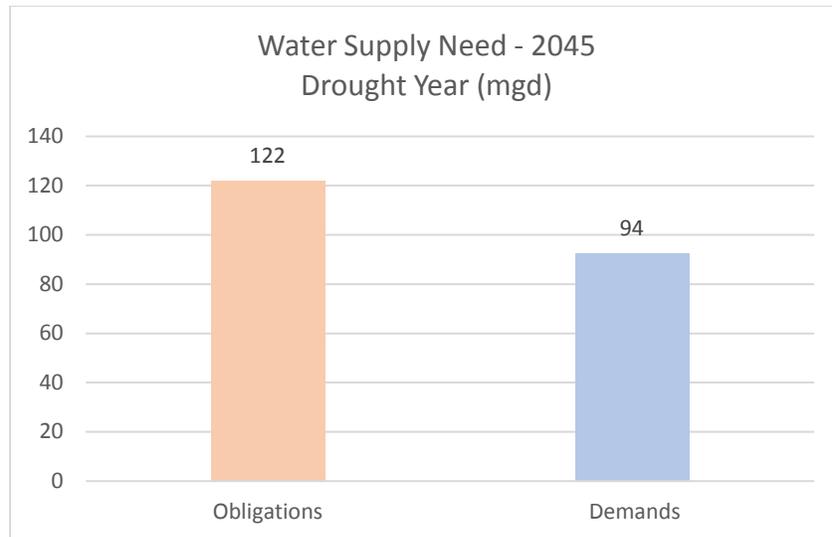
¹ Purified water is the treated effluent from a wastewater treatment plant that has undergone advanced treatment, including filtration, reverse osmosis, disinfection and advanced oxidation.

² The SFPUC is contractually obligated to making a decision about whether to make San Jose and Santa Clara permanent customers by December 31, 2028.

³ Anticipated total obligations include 9 mgd for San Jose and Santa Clara, who are interruptible customers. The SFPUC will need to make a policy decision regarding their permanent status by December 31, 2028. For planning purposes, the AWS program includes this as an anticipated obligation in order to be able to identify and evaluate appropriate sources of supply in order to support a future decision. Section 3.4 provides additional context.

⁴ Demands for the water provided through the RWS account for savings from conservation and offsets from water supplies other than RWS and onsite water recycling.

Figure 1. Anticipated Water Supply Need in 2045



Planning for alternative water supplies requires a comprehensive and detailed evaluation effort that considers several interrelated challenges, many of which are different than those faced for traditional water supply planning at the SFPUC. These planning challenges include new and potential regulations, multi-party partnerships, and approaches for integrating supplies into the existing water system. Additionally, as with any long-term water supply planning effort, the SFPUC must also contend with future uncertainties such as instream flow needs, climate change, and future curtailments during droughts. These planning challenges and uncertainties highlight the importance of being thoughtful and adaptive in planning for the AWS Program.

1.2 Quarterly Highlight (NEW)

Customers of the SFPUC's Regional Water System (RWS) are increasingly investing in their own sustainable projects that can improve local water supply reliability. This quarterly highlight describes how the City and County of San Francisco (San Francisco) is planning its future water supply strategy in the context of climate change and new regulations in order to increase its own resilience through the 2045 planning horizon and beyond.

1.2.1 Customer Highlight: San Francisco

San Francisco is the single largest customer of the RWS. Historically, San Francisco has depended on the regional system for its water supply, with the exception of groundwater used for the irrigation of Golden Gate Park. The RWS flows by gravity from east to west for 167 miles, generating hydropower along the way, with San Francisco being its final and westernmost customer. In 2002, San Francisco voters approved a bond measure to pay one-third of the cost of rehabilitating this large system to ensure its continued reliability, approximately \$1.6 billion. Alongside this investment in the capital improvements to the RWS, San Francisco has also made significant investments in local conservation and water supply efforts in order to diversify its future water supply and reduce dependence on the RWS.

1.2.1.A A Demand Management Mindset

Even with the historically high reliability of the RWS, San Franciscans embrace conservation as a way of life. For over 30 years, San Francisco’s water conservation program has offered a variety of incentives and services, including comprehensive indoor and outdoor site surveys, rebates for high-efficiency fixtures, free installation of high-efficiency toilets for qualifying residential customers, and distribution of water-efficient plumbing devices such as showerheads and faucet aerators. As the water retailer, the SFPUC also offers technical support, grant funding, and educational assistance aimed at promoting efficient water use for large, irrigated gardens and landscapes. As a result, the residential per capita water use in San Francisco is 42 gallons per person per day, among the lowest in California. Despite population and employment growth projections, water demands are expected to remain relatively flat in San Francisco thanks to both active and passive conservation programs.

1.2.1.B Maximizing Non-Potable Potential

San Francisco’s physical landscape presents some unique opportunities and challenges as it relates to the distribution and nature of non-potable demands. The west side of San Francisco is primarily residential with few major developments planned, but with large parks and golf courses that can utilize recycled water for irrigation. The east side of San Francisco is much denser with commercial, mixed-use, and large residential buildings and much less opportunity for large-scale contiguous irrigation. These differences correlate to the uneven distribution of non-potable demands, shaping the way recycled water use can be planned and implemented across San Francisco.

Using data collected over the years, SFPUC staff have estimated that the total non-potable demands that can be served in San Francisco is 7.12 mgd. To address the disparate demands efficiently, San Francisco is simultaneously pursuing both centralized and decentralized non-potable supply projects. On the west side, San Francisco has partnered with Daly City to serve Harding Park and Fleming Golf Courses since 2012. San Francisco is currently implementing the Westside Enhanced Water Recycling Project, which will begin delivering recycled water for large irrigated areas in 2023. On the east side, where irrigation and toilet flushing demands are more distributed, San Francisco has created a path for onsite water recycling. In 2012, San Francisco pioneered an onsite water reuse program. By 2015, San Francisco began requiring large new developments and redevelopments to implement distributed onsite water recycling systems to further limit increases in water demand. Commonly referred to as the Non-potable Ordinance, this legislation established a regulatory structure for the collection, treatment, and use of rainwater, stormwater, graywater, and blackwater, for non-potable applications at the district scale and in individual buildings. As of 2021, the threshold for the onsite water recycling mandate is 100,000 square feet. Together, the centralized and decentralized water recycling projects are anticipated to supply approximately 3.39 mgd, or almost half of the total available non-potable demand in San Francisco. The table below shows the breakdown of non-potable opportunities and supplies. Furthermore, irrigating Golden Gate Park with recycled water will

free up groundwater that is being used for irrigation so that it can be used to augment drinking water supplies.

NON-POTABLE REUSE POTENTIAL	ANNUAL AVERAGE DEMAND (MGD)
<i>Total Non-Potable Demand Potential</i>	7.12
<i>Existing and Planned Non-potable Reuse Projects</i>	
Harding Park & Fleming Golf Courses	0.18
Westside Recycled Water (Golden Gate Park, Lincoln Park Golf Course, Presidio, Sunset, SF Zoo, and Great Highway)	1.88
Onsite Non-potable Projects (including Park Merced)	1.33
Subtotal Existing and Planned Projects	3.39
<i>Potential Reuse to meet Non-potable Demands⁵ (includes dual-plumbed buildings compliant with San Francisco's Recycled Water Ordinance)</i>	1.2
<i>Remaining Unmet Non-Potable Demand</i>	2.53

1.2.1.C Investing in Innovative Solutions and New Supplies

With existing investments in conservation, recycled water, onsite water reuse, and groundwater, San Francisco has been able to limit projected purchases from the RWS in 2045 to 73.5 mgd, well below its retail allocation of 81 mgd. Recent investments in systemwide improvements will help to ensure that the RWS remains at the heart of San Francisco’s drinking water supply for decades to come. However, San Francisco recognizes the continuing increase in the vulnerability of its regional supplies and therefore seeks to continue to diversify its drinking water supplies and increase local supply reliability. That means investing in innovations and new local supply opportunities, big and small.

The SFPUC Innovations Program is intended to test forward-thinking ideas that can help offset additional potable and non-potable demands in San Francisco. Through this program San Francisco is currently expanding leak detection to reduce losses in the distribution system, enabling breweries to treat and reuse process water generated onsite, and exploring the potential to extract water from ambient air to produce water fit for irrigation and drinking.

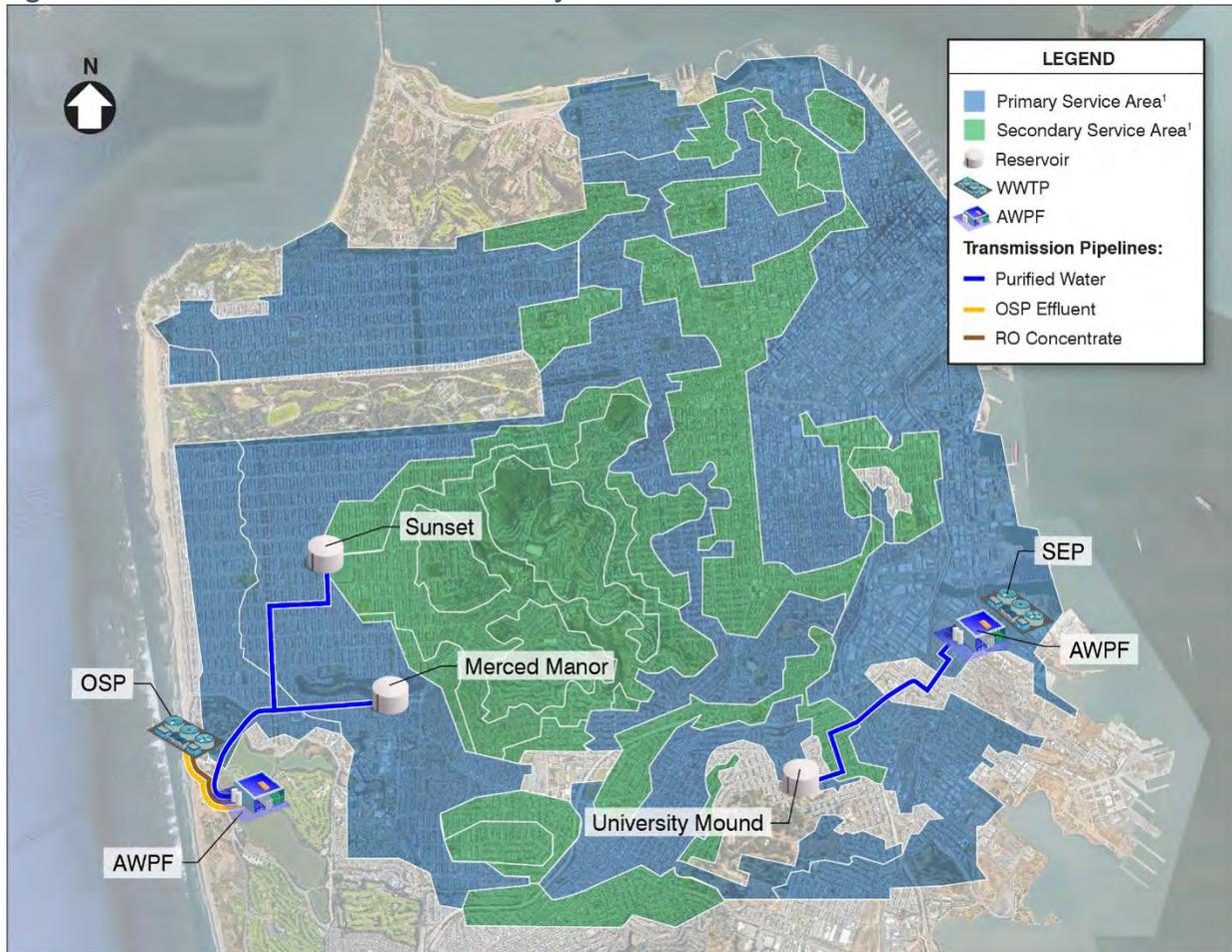
As part of the Innovations Program, San Francisco began researching the potential to reliably treat wastewater to produce purified water that could meet drinking water standards with a small research pilot project at its headquarters building in 2018. This grant-supported project added a temporary advanced treatment train to an existing onsite water recycling system to test system reliability and water quality at a building-scale. During its operation, the project

⁵ Potential reuse to meet non-potable demands being planned to be combined with the development of purified water in San Francisco. Additional project information is included in Section 2.3.1.

team performed over 1,300 individual analyses, successfully demonstrating the reliable and effective treatment process.

The research project marked the first step in the planning for PureWaterSF, San Francisco's purified water program. In March 2022, the SFPUC completed a comprehensive *San Francisco Purified Water Opportunities Study* to evaluate the full potential for purified water development in San Francisco based on draft regulations that are expected to be finalized in December 2023. The potential facilities related to purified water treatment in San Francisco are shown in **Figure 2**.

Figure 2. San Francisco Purified Water Project



1. The primary service area is the region typically served by the reservoirs currently proposed for use for DPR; the secondary service area zone depicts the region from which water can be delivered from the reservoirs currently proposed for use for DPR.

With the conclusion of the feasibility study, the SFPUC is aggressively pursuing the planning for 4 mgd of purified water in San Francisco through PureWaterSF. The program could include up to two parallel treatment facilities producing 2 mgd each on the west and east sides of San Francisco, within close proximity to the city's large, all-weather wastewater plants. By 2045, in addition to 4 mgd of purified water, the program could also offset an additional 1.2 mgd of non-

potable demand, shown in the table on the previous page. In this way, the project could further reduce unmet non-potable demand in San Francisco to 2.53 mgd while reducing San Francisco's demands from the RWS from 73.5 mgd to 68.3 mgd.

In addition to continuing its technical analysis of the project, the SFPUC is developing a plan for sustained public engagement and outreach to support the planning and development of PureWaterSF. To support implementation of a purified water project, San Francisco will also have to plan for the operational needs of water treatment in San Francisco.

1.2.1.D Local Planning in the Regional Context

Through the AWS Program, the SFPUC is actively planning and developing projects throughout the service area. These projects are complex and being pursued largely as multi-party partnerships with water and wastewater utilities in the Bay Area. The projects have uncertainties as planning continues. Furthermore, AWS projects do not currently fully meet the gap between projected demands on the RWS and anticipated available supplies from the system through 2045.

As the RWS' largest customer, San Francisco remains fully committed to continuing to drive down demands and harvesting local supplies in the face of increasing vulnerabilities that will affect RWS supply availability, particularly in future droughts. San Francisco's local actions have the added benefit of reducing pressure on the RWS to deliver water when supplies are scarce. Above all, by increasing the diversity of local non-potable and potable water supplies to include supplies such as purified water that would continue to be available, San Francisco is preparing itself for an uncertain future.

1.3 Ongoing Program Activity Updates

1.3.1 Status of Ongoing Coordination with San Jose and Santa Clara

Planning Considerations for San Jose and Santa Clara's Permanent Status

Planning for alternative water supplies is proceeding with the intention to be able to make the Cities of San Jose and Santa Clara permanent customers of the SFPUC. Based on the requests from San Jose and Santa Clara, that means providing at least 9 mgd of additional water supply guarantees to the two cities collectively. In addition, San Jose and Santa Clara have requested that the SFPUC consider its anticipated normal year demands for RWS supply of up to 15.5 mgd; this represents 6.5 mgd in excess of the requested combined supply guarantees in years when sufficient RWS supplies are more likely to be available.

Consistent with the SFPUC's planning priorities, when evaluating potential AWS supplies, the SFPUC's existing commitments to meet instream flow requirements and meet ongoing obligations to existing permanent customers must be considered when deciding to make interruptible customers permanent or meeting increased demands of existing and interruptible

customers. Distinct from San Jose and Santa Clara’s all-year needs, meeting existing obligations requires securing dry-year supplies.

Since August 2020, the Bay Area Water Supply & Conservation Agency (BAWSCA) has facilitated monthly discussions with San Jose and Santa Clara to collectively consider project opportunities and interests. In addition to reviewing projects that are already listed in the AWS Program, the agencies worked together to consider project opportunities that may provide multiple water supply benefits as well.

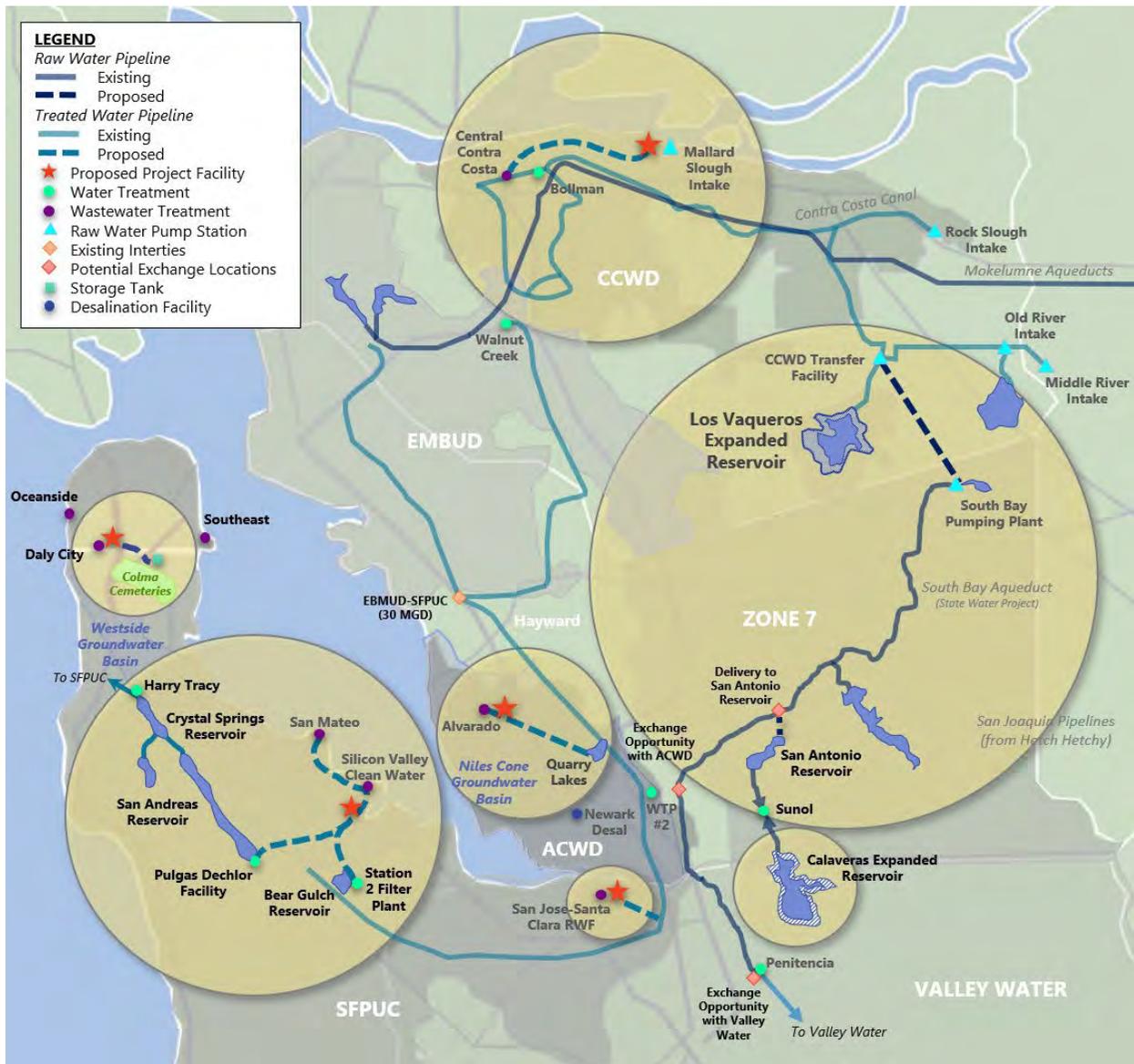
In July of 2022 the SFPUC, San Jose, and Santa Clara initiated a feasibility study to evaluate a purified water project concept that can potentially meet both the all-year needs of San Jose and Santa Clara and produce dry year supplies for the benefit of all RWS customers. Progress on the analysis is described as part of the **South Bay Purified Water Project** in Section 2.1 of this report.

Section 2. Status of Projects

Staff are currently studying the feasibility of regional projects (outside of SFPUC's retail service area) and local projects (within SFPUC's retail service area) that can contribute to meeting the needs and priorities identified for this planning effort. Three projects in the San Joaquin Valley (upcountry projects) have also been identified. Collectively, these regional, local, and upcountry projects represent new water supplies, local supply opportunities, a study of conveyance options, an innovations program, a potential local policy option, and a water transfer simulation that can help answer some planning questions. This section provides a status of each of these efforts, which are organized geographically and shown in **Figure 3**.

Each project status discussion that follows in Sections 2.1, 2.2, and 2.3 includes the following subsections: *Project Background* and *Current Planning Considerations*, which is included for purposes and context, and *Activities This Quarter* and *Upcoming Activities* that are updated each quarter. **A schematic on *Project Partners & Interests* appears at the beginning of each of the regional projects in Section 2.1 in which there are multiple partners.**

Figure 3. Map of Regional AWS Program Activities



2.1 Regional Projects (ALL CURRENT AND UPCOMING ACTIVITIES UPDATED)

2.1.1 Daly City Recycled Water Expansion

Project Partners & Interests

SFPUC	Daly City (Sanitation District)	Cal Water
Increase drought supply reliability	Reduce ocean discharges	Develop local supplies

Project Background

This project supports the SFPUC's Groundwater Storage and Recovery Project (currently under construction) by making an additional 0.7 mgd of groundwater available in the South Westside Basin for drought supply. The project is envisioned to serve 7 cemeteries and other smaller irrigation customers with new recycled water supply, replacing existing groundwater pumping from the Basin. This will free up groundwater, enhancing the reliability of the Basin. The project has been a regional partnership between the SFPUC, Daly City, and the California Water Service Company (Cal Water), in coordination with the Town of Colma and the irrigation customers who are located largely within Cal Water's service area. As a private water utility, Cal Water's participation in the project is subject to approval by the California Public Utilities Commission. SFPUC customers will benefit from the increased reliability of the South Westside Basin for additional drinking water supply during droughts.

Current Planning Considerations

The current planning questions driving near-term project activities include:

- 1) How will the responsibilities and costs be allocated among the project partners?
- 2) How can project partners collaborate with potential customers to realize water supply benefits for all parties?

Activities this Quarter

This quarter, SFPUC staff continued to focus on outreach to the cemeteries. In late September, the Town of Colma hosted a meeting attended by the SFPUC, Cal Water, Daly City, and the cemeteries. SFPUC staff and partners provided a project update to the cemeteries and received feedback on the cemeteries' concerns, which included potential cost of the recycled water, retrofit needs within the cemeteries, and water quality. Following the meeting, SFPUC staff have been meeting with cemeteries individually to verify the estimated operational costs and water demands. The meetings are anticipated to be completed by the end of 2022 so that the group can reconvene in January 2023 to report back on the progress and next steps for the project.

Upcoming Activities

In the coming quarter, the SFPUC will develop preliminary proposals on costs and other terms that would be included in terms for agreements with the cemeteries. Agreements with the partners on cost-sharing and other terms will also be needed before the project can proceed with design.

2.1.2 ACWD-USD Purified Water

Project Partners & Interests

SFPUC	Alameda County Water District (ACWD)	Union Sanitary District (USD)
Increase Dry Year Supply	Reduce dependence on SFPUC Regional Water System	Reduce Bay discharges

Project Background

This project could provide a new purified water supply utilizing Union Sanitary District's treated wastewater. Purified water produced by advanced water treatment at Union Sanitary District could be transmitted to the Quarry Lakes Groundwater Recharge Area to supplement recharge into the Niles Cone Groundwater Basin or put to other uses in Alameda County Water District (ACWD)'s service area. With the additional water supply to ACWD, an in-lieu exchange with the SFPUC could result in more water left in the Regional Water System. Additional water supply could also be directly transmitted to the SFPUC through a new intertie between ACWD and the SFPUC's Bay Division Pipelines.

Current Planning Considerations

The current planning questions driving near-term project activities include:

- 1) What is the maximum potential purified water that can be produced and put to beneficial use from this project?
- 2) What are the considerations and tradeoffs, such as costs and infrastructure needs, of the two selected alternatives that the partners wish to study?

Activities this Quarter

During this quarter, the project team continued to perform technical analyses on two alternatives for the feasibility study which include purified water concepts that could recharge the groundwater basin through Quarry Lakes as a first phase and provide water supply to ACWD or the SFPUC directly as a second phase. There are two variations of this phased concept based on whether or not planned capital improvements at the wastewater treatment facility are assumed.

Upcoming Activities

In the coming quarter, the consultant team will incorporate feedback from the partner agencies and complete a draft of the feasibility study.

2.1.3 Crystal Springs Purified Water

Project Partners & Interests

SFPUC	Silicon Valley Clean Water
	City of San Mateo
Increase dry-year supply or supply for San Jose / Santa Clara	Reduce Bay discharges
Cal Water	BAWSCA
	Redwood City
Develop local supplies	Mid-Peninsula Water District
	Increase dry-year supply

Project Background

The Crystal Springs Purified Water Project could generate up to 12 mgd of purified water and would likely be implemented in two phases. Treated wastewater from Silicon Valley Clean Water and/or the City of San Mateo would be conveyed to an advanced water treatment plant to produce purified water that meets state and federal drinking water quality standards. In the first phase, the project would produce 6-8 mgd of purified water, which would be conveyed via pipelines to Crystal Springs Reservoir where it would be blended with regional surface water supplies and then treated again at Harry Tracy Water Treatment Plant. In the second phase of the project, 4-6 mgd of additional purified water would be treated at the advanced water treatment plant and added directly to the distribution systems in the region through treated water augmentation. Details of the second phase of the project will be developed further once regulations for direct potable reuse are finalized by December of 2023.

Current Planning Considerations (UPDATED)

To evaluate the merits of the project to produce water supply to meet dry-year needs, the SFPUC will need to answer the following near-term planning questions:

- 1) How will partners share in the cost and long-term benefits of the project?
- 2) How will a new water supply in Crystal Springs Reservoir affect water quality, operational needs, and distribution of RWS supplies?
- 3) Will a 12 mgd alternative that would directly connect to the RWS be feasible?

Activities This Quarter

This quarter, all of the partner agencies approved and signed the Memorandum of Agreement for the Basis of Design Report. The project team had a kickoff meeting and additional meetings focused on various technical topics including the treatment plant location and treatment trains. The partners began a discussion of the governance structure prompted by the recommendation from the U.S Bureau of Reclamation that the team identify a project sponsor before the draft

feasibility study is finalized. Different governance structures and project sponsor possibilities are being explored.

The SFPUC initiated a task order for consultants to explore a parallel project alternative that would bring 12 mgd of purified water directly, through treated water augmentation, to the RWS. The goal is to complete the feasibility analysis of this alternative at the same time as the Basis of Design Report so that a preferred project could be identified for CEQA review.

Upcoming Activities

The project team will delve further into the technical analysis for the Basis of Design Report. The report also includes a public engagement component which will be kicked off in the next quarter. The SFPUC will also begin the analysis of 12 mgd of direct potable reuse. Finally, the partners will further explore options for project governance.

2.1.4 South Bay Purified Water Project

Project Partners & Interests

SFPUC	City of San Jose
	City of Santa Clara
Increase dry-year supply	Develop local supplies, increase all-year and dry-year supplies

Project Background

SFPUC continues to plan to meet future demands and obligations with the intention to make the Cities of San Jose and Santa Clara permanent customers. Based on the request from San Jose and Santa Clara, permanent status requires SFPUC to provide at least 9 mgd of additional water supply guarantees to the two cities collectively.

Given the intent and interests described above, the SFPUC, San Jose, and Santa Clara launched a project partnership to explore and potentially implement a joint purified water project that would serve the local demands of San Jose and Santa Clara during all types of water years, while also supplementing the water supply provided through the SFPUC’s RWS in dry years. The feasibility of this concept, including the potential capacity, sharing of supply, operation and distribution, will be evaluated in a feasibility study over the next several months.

Current Planning Considerations

An initial concept that is being explored is a 10-mgd advanced water treatment facility (i.e., purified water facility) that would use source water from the San Jose-Santa Clara Regional Wastewater Facility and operate at 6.5-mgd capacity during wet and normal years. During dry years, the facility would ramp up to the full 10-mgd capacity. The additional 3.5 mgd of purified water produced during dry years would be fed into the RWS to increase dry year reliability. A

feasibility study that kicked off in July will explore this initial concept in addition to an option that will maximize production capacity and various options for blending and distribution. Furthermore, the source water flow and quality will be characterized based on actual dry-year data to provide a conservative approach and to ensure that the project would be able to operate during dry years.

To evaluate the merits of the project to produce water supply to meet dry year needs, the SFPUC will need to answer the following near-term planning questions:

- 1) Is there a technically viable project that can provide purified water for the Regional Water System customers as well as for local customers of San Jose and Santa Clara?
- 2) What are some viable planning scenarios for a mutually beneficial project?
- 3) Where should the new water supply tie into the RWS? How will this affect water quality, operational needs, and distribution of RWS supplies?

Activities This Quarter

The project team collected information from the partners and began evaluation of the base 10-mgd facility during this quarter. The need to evaluate brine discharge alternatives to the existing outfall was identified during early discussions and will be evaluated in future feasibility analyses. This quarter, a preliminary facility layout and cost estimate was prepared based on site constraints and product water quality requirements.

In parallel with the technical work described above, the project partners also prepared a Memorandum of Agreement (MOA) detailing the roles and responsibilities of the partners with respect to the Feasibility Study and the terms for sharing and payment of its costs. The cost of the Feasibility Study will be divided equally among the three partners. It is anticipated that the MOA will be approved by the Commission in December, followed by formal approval by each partner's governing body or other authority.

Upcoming Activities

The consultant team will continue to develop and evaluate various project options as part of the Feasibility Study. The study is anticipated to be completed in Summer of 2023, but key findings that will inform the AWS Plan will be available in Spring.

The MOA is anticipated to be fully executed by SFPUC, San Jose, and Santa Clara next quarter.

The South Bay Purified Water Project will also be identified as a standalone project in SFPUC's upcoming 10-year Capital Improvement Plan budget.

2.1.5 Los Vaqueros Reservoir Expansion

Project Partners & Interests

CCWD	ACWD	SFPUC with BAWSCA
EBMUD	Zone 7 Water Agency Valley Water	
Increase water supply reliability	Increase water supply reliability	Increase Dry Year Supply or Supply for San Jose / Santa Clara
San Luis & Delta Mendota Water Authority	Grassland Water District	DWR (State)
		USBR (Federal)
Increase water supply for irrigation	Protect wildlife refuges	Provide approvals and funding

Project Background

The Los Vaqueros Reservoir Expansion (LVE) Project is a storage project that will enlarge the existing reservoir located in Contra Costa County from 160,000 acre-feet to 275,000 acre-feet. While the existing reservoir is owned and operated by Contra Costa Water District (CCWD), the expansion will have regional benefits and will be managed by a Joint Powers Authority (JPA). The JPA was formed and filed with the State in October 2021 and the JPA Board of Directors' monthly meetings began in November 2021. The JPA will provide governance and administration for the project and the JPA members will assist in the design, construction, operation, and administration of the project.

CCWD is the lead agency on the planning, design and permitting efforts, with grant funds provided by the State and federal government, and contributions from Local Area Partners (LAPs) through Multi-Party Cost Share Agreement amendments.

The additional storage capacity from the LVE Project would provide a dry-year water supply benefit to the SFPUC. However, securing water supply to store in the LVE and ensuring that conveyance is available can both be significant barriers to realizing the full water supply potential of storage for SFPUC customers. In particular, issues related to water supply have been the focus for the SFPUC staff in determining the extent of participation in the LVE Project.

To better understand the water supply and conveyance options and the effects related to decision-making for the LVE Project, two subprojects were developed. The subprojects are listed below and described in Sections 2.1.5A and 2.1.5B:

1. **Conveyance Alternatives** (evaluating conveyance from LVE to RWS facilities);
2. **The Bay Area Regional Reliability (BARR) Partnership Shared Water Access Program (SWAP)** is a simulation to evaluate the potential impacts of conveyance from LVE to San Antonio Reservoir within the RWS, as well as an exchange with ACWD.

In addition, water supply options are being considered both in combination with or separate from storage in LVE. One of these options is using the CCWD's existing point of diversion at Mallard Slough in the San Francisco Bay/Sacramento-San Joaquin Delta Estuary (Delta) and treating the water through the **Bay Area Brackish Water Desalination Project**. The treated water could serve as a source of supply that can be exchanged with CCWD for supply in LVE. This project is described in Section 2.1.5 below.

Current Planning Considerations (UPDATED)

The current planning questions driving near-term project activities include:

- 1) What are the feasible water supply options available to fill storage in Los Vaqueros Reservoir for the SFPUC? What are the opportunities and constraints associated with each water supply?
- 2) What are the costs and constraints and institutional arrangements needed for taking water deliveries through the South Bay Aqueduct?
- 3) What are the operational constraints of LVE facilities to a) fill storage and b) take deliveries in dry years?
- 4) Are exchanges with partner agencies a feasible alternative to direct deliveries to the SFPUC? If so, under what conditions?

Activities This Quarter

From executive participation at the JPA Board of Directors and in committees to staff engagement and participation in technical, financial, operational, and legal aspects of the project, the SFPUC continues to engage with the project partners to contribute to the development of this project. Developments in planning, permitting, design, and funding during this quarter as described below.

Planning, Permitting, and Design

Coordination continues on several permit applications that were previously submitted to the U.S. Fish and Wildlife Service, the California Department of Fish and Wildlife, Central Valley Regional Water Quality Control Board, and other regulatory agencies. Draft water rights change petitions have been submitted to the State Water Resources Control Board for preliminary review.

The Los Vaqueros Dam design is nearly complete. A Basis of Design Report was submitted to the California Division of Safety of Dams. Upon approval of this submission, CCWD will request approval to construct from the Division as part of the requirements of the California Water Commission Final Award Hearing.

A video inspection of the Los Vaqueros Dam Transfer Pipeline – the inlet/outlet pipeline for the dam – is complete. The inspection results are being reviewed and a conditions’ report will be prepared. The main purpose of the inspection was to confirm whether the transfer pipeline can withstand the additional pressure that results from the increased water level of the expanded reservoir.

Evaluation of alternative alignments for the Transfer-Bethany Pipeline through sensitive areas continues in coordination with key local stakeholders and input from California Department of Fish and Wildlife. Geotechnical investigations have been completed at the terminus of the pipeline, where the pipeline connects to the California Aqueduct (Turn-In). The 90% design of the Turn-In has been initiated. SFPUC staff continue to participate in the monthly Los Vaqueros Design Review team meetings alongside other JPA Members.

State and Federal Funding

Federal funding for the project is expected to provide 25% of the total project cost or approximately \$160 million, of which \$14 million was appropriated in Fiscal Year 2021 and \$50 million in Fiscal Year 2022. During this quarter an additional \$82 million from the funds designated for California storage projects by the Bipartisan Infrastructure Law was allocated to the LVE Project.

WIFIA Funding

The JPA Board submitted a Letter of Interest to the U.S. Environmental Protection Agency (USEPA) to apply for a loan under the Water Infrastructure Finance and Innovation Act (WIFIA) in September. The WIFIA loan could provide a low-cost financing solution to the JPA and reduce the overall cost of financing for the partners. In October, the USEPA invited the Los Vaqueros Reservoir JPA to apply for a WIFIA loan of up to \$675 million, which started the second phase of the WIFIA borrowing process by submitting a loan application. The project team expects to submit the loan application by mid-2023.

Local Area Partners

The LAPs have been contributing funds to the LVE project since 2017 through a series of local cost share agreements between CCWD and other JPA Members. The Multiparty Cost Share Agreement was executed in 2019 and has been amended multiple times. Funds from Amendment No. 3 to the Multiparty Cost Share Agreement continue to support the project activities in this quarter. The term of Amendment No. 3 covers local funding for expenses incurred through December 31, 2022.

Amendment No. 4 to the Multi-party Cost Share Agreement is under review by staff at partner agencies. Amendment No. 4 will extend the agreement term through June 30, 2023 and provide a sum of \$7.6 million for planning and development of the project. The SFPUC’s share of Amendment No. 4 is estimated at \$1.1 million.

JPA Budget

The JPA Members collectively contributed \$10.8 million during Fiscal Year 2023. Fiscal Year 2024 budget is currently under development and will be brought to the JPA Board in May 2023.

Los Vaqueros Reservoir Expansion Joint Powers Authority (JPA)

The Los Vaqueros Reservoir JPA Board of Directors continues to meet monthly. The JPA Board appointed a JPA Executive Director in this quarter. The Executive Director will be responsible and accountable for technical, administrative, and policy level tasks to advance the LVE project. The agenda and supporting information for the JPA Board Meetings are available on the JPA website: <http://www.losvaquerosjpa.com>.

As the interim administrator for the project, CCWD has secured a consulting contract for providing Capital Project Management services to support the JPA and CCWD in providing cost and schedule controls, risk reviews, technical reviews and cost and progress reporting, among other project management activities.

Upcoming Activities

Activities expected to take place in the next quarter are as follows:

- Construction cost update for the project including dam expansion and the Transfer-Bethany Pipeline
- Technical analysis and negotiation among the JPA members to secure capacity usage rights and draft a facility usage Agreement
- Draft the Contract for Administration of Public Benefits, a requirement for obtaining CWC Funding
- Preparation of the WIFIA application for the USEPA
- Initiation of WIFIA cost-benefit analysis with the assistance of the LVE financial consultant, in collaboration with CCWD's engineering team and the LVE Financial Work Group
- Approval of Multiparty Agreement Amendment No.4
- Development of methodology for grant funding allocation and the financial impact on the LAPs
- Continuation of work on the identification and preliminary characterization of water supply options for SFPUC

2.1.5.A Conveyance Alternatives

Project Background

The SFPUC is considering the Los Vaqueros Reservoir as a dry-year supply. Two main pathways involve moving water from storage in a prospective LVE Project to the SFPUC's service area, either directly to RWS facilities or indirectly via an exchange with partner agencies. The first and preferred path is through the South Bay Aqueduct (SBA), and the second pathway is through East Bay Municipal Utility District (EBMUD).

The SBA is a 49-mile aqueduct, which is part of the State Water Project, owned by the California Department of Water Resources (DWR). Three State Water Project contractors (SBA Contractors) maintain contract capacity for use of the SBA: Zone 7 Water Agency, ACWD, and Valley Water. The SBA is in close geographical proximity to SFPUC's San Antonio Reservoir and the Sunol Valley Water Treatment Plant. SFPUC staff, in coordination with BAWSCA, have been working with the SBA Contractors to develop a clear understanding of what the maximum potential use of the SBA could be that would be of benefit to the SFPUC and what constraints may exist to achieving those benefits.

Current Planning Considerations

As indicated under the LVE Project, identifying a viable conveyance pathway is critical for the SFPUC's participation. The primary focus of this task has been to understand the capacity within the SBA and evaluate an alternative through EBMUD.

Activities this Quarter

The SFPUC and DWR continued discussions on technical and financial terms and conditions of a conveyance agreement for the Los Vaqueros supplies. In addition, DWR has indicated that a turnout agreement is needed for the SFPUC to take delivery of water off the SBA. Typically, the Turnout Agreement is drafted when an agency submits 30-60% Design Plans and Specifications for DWR's review. However, in this case, since the turnout is already built, staff will work with DWR on how to submit a turnout proposal and obtain updated information on the characteristics of the existing structure, such as maximum allowable flow for receiving water from the Los Vaqueros Reservoir.

Three of the alternatives involve exchanges with the SBA Contractors and one involves wheeling through an agreement with DWR under the California Water Code 1810. DWR, as the owner, would have discretion in deciding when unused capacity is available. More information on the source of water is needed prior to entering into a conveyance agreement with DWR.

In addition to direct deliveries to the SFPUC facilities, SFPUC staff are also pursuing exchanges with SBA Contractors. ACWD is a State Water Project SBA Contractor as well as SFPUC's Wholesale Customer. Also, the SFPUC and the Santa Clara Valley Water District (Valley Water), another State Water Project SBA Contractor have common customers including Cities of San Jose and Santa Clara. Discussions have been ongoing through this quarter with both agencies regarding potential exchanges. The potential for an exchange with ACWD is being evaluated through the BARR SWAP project described below.

Upcoming Activities

In the coming quarter, staff will continue to engage with ACWD and Valley Water to understand the constraints and condition of exchanges.

2.1.5.B Bay Area Regional Reliability Shared Water Access Program (BARR SWAP)

Project Background

As part of the BARR Partnership, a consortium of 8 Bay Area water utilities (including ACWD, BAWSCA, CCWD, EBMUD, Marin Municipal Water District (MMWD), SFPUC, Valley Water, and Zone 7 Water Agency) is exploring opportunities to move water across the region as efficiently as possible, particularly during times of drought and emergencies.

The BARR agencies initially proposed two separate pilot projects through the Shared Water Access Program (SWAP) to test conveyance pathways and identify potential hurdles to better prepare for sharing water during a future drought or emergency. A strategy report identifying opportunities and considerations will accompany these pilot transfers will be completed in 2022. This work is supported with grant funds from the U.S. Bureau of Reclamation and the participating water agencies.

The first proposed pilot (Pilot 1A) is a desktop simulation that assumes the existence of some facilities that are currently not in place. The second pilot (Pilot 2A) was a physical exchange of water between two federal Central Valley Project Contractors, CCWD and Valley Water. Due to drought conditions, a third pilot testing Central Valley Project transfers between CCWD and EBMUD was added to the BARR SWAP effort.

Current Planning Considerations

This simulation tested the conveyance of water from an expanded Los Vaqueros Reservoir through the SBA. The agencies participating in this simulation are the SFPUC, ACWD, and BAWSCA. This BARR SWAP project is helping the SFPUC evaluate two aspects of LVE Project feasibility:

- 1) Potential water quality impacts and treatment needs associated with a new water supply through the SBA into San Antonio Reservoir and Sunol Valley Water Treatment Plant; and
- 2) Potential for exchange with ACWD, offsetting demand on the water provided through the RWS.

Activities this Quarter

In this quarter, the BARR partners met with the project's Stakeholder Task Force. The draft BARR SWAP report is under review by the BARR partner agencies. Comments are being incorporated by the consultant team.

Upcoming Activities

In the next quarter, the BARR partners will finalize the BARR SWAP report for submission to the U.S. Bureau of Reclamation for review.

2.1.6 Bay Area Brackish Water Desalination

Project Partners & Interests

CCWD	Zone 7 Water Agency
	SFPUC
EBMUD	Valley Water
Facilitate regional water supply reliability	Increase water supply reliability

Project Background

The Bay Area Brackish Water Desalination (Regional Desalination) Project is a partnership between CCWD, EBMUD, SFPUC, Valley Water, and Zone 7 Water Agency. The project could provide a new drinking water supply to the region by treating brackish water from CCWD's existing Mallard Slough intake in Contra Costa County. This project has independent utility as a water supply project, but it could be combined with storage in LVE to provide a dry year source of supply. While the allocations remain to be determined among partners, the SFPUC is considering a water supply of approximately 5 mgd.

Current Planning Considerations

The SFPUC is considering desalinated brackish water as a source for storage in LVE. For that scenario, the current planning questions include:

- 1) What are the conditions needed to make an exchange of water to fill SFPUC storage in LVE in wet years possible?
- 2) What are the losses associated with an exchange and related conveyance?
- 3) What are the alternatives to desalination for water supply storage in LVE?

Activities this Quarter

The SFPUC has initiated a Water Supply Analysis evaluating this project along with other water supply alternatives that can be stored in an expanded Los Vaqueros Reservoir. Following the initial screening of technically feasible alternatives, in the last quarter, the second phase of the Water Supply Feasibility Analysis continued in this quarter. The objective of this phase is to refine the evaluation of the projects identified and retained from the first phase by confirming project yields, consideration of water rights and contract requirements including limitations and additional constraints for Central Valley Project water exchanges and South Bay Aqueduct capacity limitations.

In collaboration with CCWD, staff will continue outreach efforts to coordination with potential regional and other partners to verify information and confirm interest and operational constraints.

Upcoming Activities

Additional analysis of feasible alternatives will be initiated in the next quarter.

2.1.7 Calaveras Reservoir Expansion

Project Background

This storage project envisions the expansion of Calaveras Reservoir to store excess RWS supplies or other source water in wet/normal years. No expansion of water rights from the local watershed is anticipated. With the Calaveras Dam Replacement project in place, Calaveras Dam impounds a capacity of 96,850 acre-feet or 31 billion gallons of water. Through an expansion, up to an additional 289,000 acre-feet or 94 billion gallons of additional storage could be realized. Calaveras Reservoir is owned and operated by the SFPUC for the benefit of RWS customers. Unlike all other regional projects under review in this program, no external partners are anticipated at this time.

Current Planning Considerations

The current planning questions include:

- 1) What are the conveyance alternatives, including infrastructure and operational considerations, for an expanded Calaveras Reservoir?
- 2) How can different water supply alternatives be integrated to maximize efficient use of expanded storage at Calaveras?

Activities this Quarter

During this quarter, the project team along with other SFPUC staff completed the review of the draft Calaveras Conveyance Feasibility Study and provided comments. The preparation of a Request for Proposal (RFP) for the Water Enterprise Capital Improvement Program has begun to support the future phase(s) of this project.

Upcoming Activities

In the next quarter, the project team will conduct an additional internal briefing to present changes made to the draft Calaveras Conveyance Feasibility Study prior to finalizing it. The RFP will continue to be developed.

2.2 Upcountry Projects

2.2.1 Groundwater Banking

Project Background

Groundwater banking in the Modesto Irrigation District and Turlock Irrigation District service areas could be used to provide some additional water supply to meet instream releases in dry years reducing water supply impacts to the SFPUC service area. For example, additional surface

water could be provided to irrigators in wet years, which would offset the use of groundwater, thereby allowing the groundwater to remain in the basin rather than be consumptively used. The groundwater that remains in the basin can then be used in a subsequent dry year for irrigation, freeing up surface water that would have otherwise been delivered to irrigators to meet instream flow requirements.

Activities this Quarter

There is no change in status for this project over the reporting period.

Upcoming Activities

Feasibility study of this option is included in the proposed Tuolumne River Voluntary Agreement. Progress on this potential water supply option will depend on the negotiations of the Voluntary Agreement.

2.2.2 Inter-Basin Collaborations

Project Background

Inter-Basin Collaborations could include establishing a partnership between interests on the Tuolumne River and those on the Stanislaus River, which would allow responsibility for streamflow to be assigned variably based on the annual hydrology. The Tuolumne system tends to spill more excess flow in wetter years than the Stanislaus, and this excess flow could be shaped and credited to meet Stanislaus system requirements, while New Melones Reservoir in the Stanislaus system is refilling. Then the stored water could be partially used to provide required streamflow to meet Stanislaus and Tuolumne requirements in future dry years.

Activities this Quarter

No new development has occurred during this reporting period.

Upcoming Activities

As is the case with Groundwater Banking, feasibility of this option is included in the proposed Tuolumne River Voluntary Agreement.

2.2.3 Dry Year Transfers

Project Background

During the planning and implementation of the Phased Water System Improvement Program, the SFPUC pursued a long-term agreement to transfer 2 mgd from MID in dry years only. The negotiations were terminated in 2012. Subsequently, the SFPUC has initiated discussions with Oakdale Irrigation District to secure a similar dry year transfer.

Activities this Quarter

No new water transfer developments occurred during this reporting period.

Upcoming Activities

While no transfer has been secured to date, the SFPUC continues to engage in discussions with partners to explore potential transfer opportunities on the Tuolumne River and throughout the San Joaquin Valley.

2.3 Local Projects

(ALL CURRENT AND UPCOMING ACTIVITIES UPDATED)

This section describes new alternative water supply projects in SFPUC's retail service area that can offset future retail demands from the RWS. This list supplements the SFPUC's robust efforts in conservation, water recycling, onsite water reuse, and local and regional groundwater that have been underway for decades. Ongoing efforts are described in [Section 3.5.1](#).

2.3.1 PureWaterSF (San Francisco Purified Water)

Project Background

PureWaterSF is a project that envisions providing a new, local drinking water supply in San Francisco of 4 mgd by treating recycled water from the Oceanside and Southeast Treatment Plants. In 2020, the SFPUC successfully completed a small-scale research and demonstration purified water project at its headquarters. With the absence of large remaining non-potable applications in San Francisco, the city has evaluated the maximum potential for recycling water for drinking or producing purified water that can be blended in San Francisco's drinking water reservoirs consistent with draft regulations that are being developed by the State Water Resources Control Board.

The proposed project would also provide supply of 1.2 mgd to meet the non-potable demands of dual-plumbed⁶ buildings in San Francisco that do not currently have a non-potable water supply source (previously reported as the Satellite Recycled Water Project). The supply would serve irrigation and toilet and urinal flushing needs, as well as commercial and industrial uses not addressed by the Non-Potable Ordinance.

Activities this Quarter

This quarter, the SFPUC began identifying key project needs, a schedule, and developing an outreach and public engagement plan. SFPUC staff also discussed experiences with other utilities that have begun planning purified water projects.

Upcoming Activities

The SFPUC is moving forward with project planning. In the coming months, staff will be preparing for public outreach and engagement.

⁶ Dual-plumbing is a plumbing system with two sets of pipes. One set of pipes is designed and used for the transmission of recycled water within buildings and structures, including lateral supply pipelines, and which is separate from the existing set of pipes or any potable water distribution system that complies with all material and construction specifications contained in City codes and other applicable State and Federal laws. There are several dual-plumbed buildings in San Francisco that installed the plumbing to comply with the Recycled Water Ordinance.

2.3.2 Innovations Program

Project Background

This program supports development of new technologies and initiatives to demonstrate the feasibility of atmospheric water generation technology, heat recovery in non-potable systems, expanded leak detection, and breweries treating process water for reuse. Included in the Innovations Program are demonstration of new technologies and grant funds to support partnership opportunities. Examples of projects within the Innovations Program include a grant program to treat process water in breweries and grants to support onsite reuse projects with heat recovery systems. San Francisco's Onsite Water Reuse Program allows for the collection, treatment, and use of alternate water sources for non-potable applications in individual buildings and at the district-scale. The onsite water reuse systems under the Non-Potable Ordinance apply to new, large development projects in San Francisco. The SFPUC is also pursuing a prospective project to expand leak detection and a project to test atmospheric water generation technology.

Activities this Quarter

The SFPUC continued to monitor the performance of the atmospheric water generation panels and installed signage at Hummingbird Farm and the San Francisco Botanical Garden to improve communication and outreach about the project and SFPUC's innovative leadership.

The SFPUC continues to use several technologies and approaches to detect potential leaks in its system. This includes an ongoing pilot of the Echologics acoustic leak detection platform.

Upcoming Activities

The SFPUC will continue developing projects to demonstrate the potential for water savings and supply with innovations in the coming quarter.

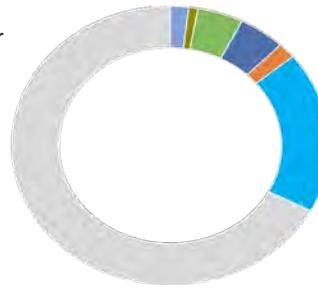
2.4 Project Summaries

In the following pages, single page summaries of each project are provided, along with current planning and development schedules and additional details of each project included in this program.

Summary of Alternative Water Supply Program

Project Description

As the SFPUC plans to 1) meet environmental flow obligations requirements and projected customer obligations demands for existing customers; 2) evaluate serving new permanent customers and providing additional supply for existing customers; and 3) prepare for future climate effects and other uncertainties through the 2045 water supply planning horizon, there is a need to look beyond current surface water supplies and operations of the San Francisco Regional Water System (RWS) and local groundwater sources. The Alternative Water Supply (AWS) Program was established to evaluate new and diverse “alternative” water supply options such as expanding storage, groundwater banking, transfers, purified water (potable reuse), desalination, and technological innovations that can increase supply.



- Dry Year Transfers (Districts) – 2 mgd
- Daly City Recycled Water Expansion – 1 mgd
- ACWD-USD Purified Water – 5 mgd
- Crystal Springs Purified Water – 5 mgd
- Los Vaqueros Reservoir Expansion
- Bay Area Brackish Desalination – 2 mgd
(supply for storage in Los Vaqueros)
- Calaveras Reservoir Expansion – 20 mgd

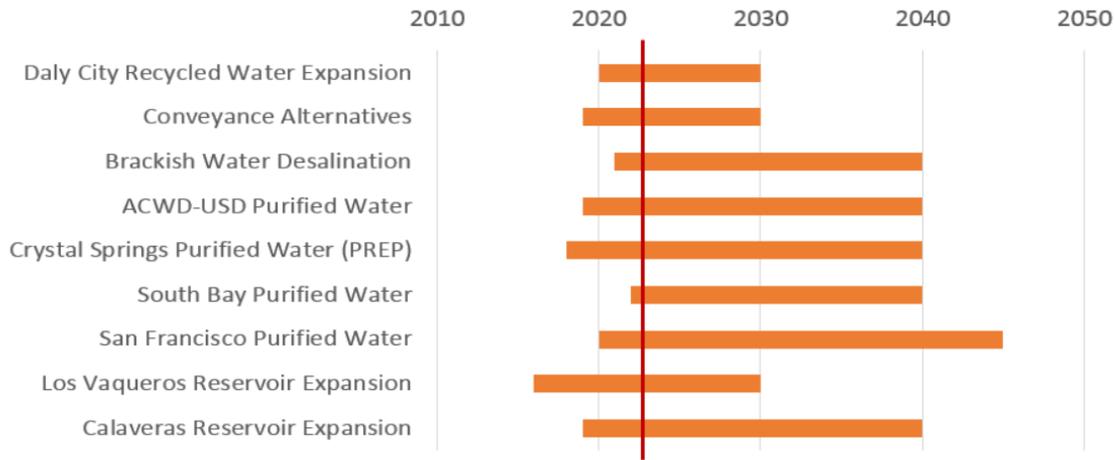
Potential New Alternative Water Supply Options

While the AWS projects support the SFPUC’s goal of balancing meeting future water needs, they are not all necessarily centered around the surface water supply source. The projects that can provide direct water supply benefits and are currently being evaluated include four regional water supply projects, two regional storage expansion projects, and two local water supply projects in San Francisco.

General Program Information				SFPUC Budget Information	
Average Annual Supply	Availability	10-Yr CIP Budget Allocation		Current FY '21 Allocation	
Potential to improve supply reliability	Varies	Regional	\$404M	\$48M	
		Local	\$10.3M	\$6.3M	
Total Project Costs				Capital Cost/Acre-Foot	
Est. Capital Cost:	TBD	Est. Annual O&M:	TBD	TBD	

Programmatic Schedule

Proposed Schedule of Projects



Current Status	Risks and Uncertainties	Benefits
Planning 18-Month Outlook • Feasibility studies underway to identify and analyze project concepts	• Determining incremental water supply benefits • Integrating new supplies with existing supplies	• Potential to improve water supply reliability

Daly City Recycled Water Expansion

Project Description

This project can make an additional 0.7 mgd available in the South Westside Basin for drought supply. The project is envisioned to serve 13 cemeteries and other smaller irrigation customers with an average annual recycled water supply of 1.25 mgd, offsetting existing groundwater pumping from the South Westside Basin. This will free up groundwater, enhancing the reliability of the Basin. The project has been a regional partnership between the SFPUC, Daly City, and the California Water Service Company (Cal Water), in coordination with the Town of Colma and the irrigation customers who are located largely within Cal Water’s service area. As a private water utility, Cal Water’s participation in the project is subject to approval by the California Public Utilities Commission (CPUC). SFPUC customers will benefit from the increased reliability of the South Westside Basin for additional drinking water supply during droughts. In this way, this project supports the Groundwater Storage and Recovery (GSR) Project, which is under construction.



Holy Cross Cemetery Colma, CA

Project Partners

Daly City, Town of Colma, Cal Water and SFPUC

SFPUC Project Manager

YinLan Zhang

General Project Information

Average Annual Supply	Availability	Supply Type	Local or Regional?	Capital Cost/Acre-Foot
0.7 MGD	Drought and All Years	Recycled Water / Groundwater Offset	Regional	TBD

Total Project Cost

Est. Capital Cost:	\$85.0M	Est. Annual O&M:	\$2.0M
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SFPUC Budget Information

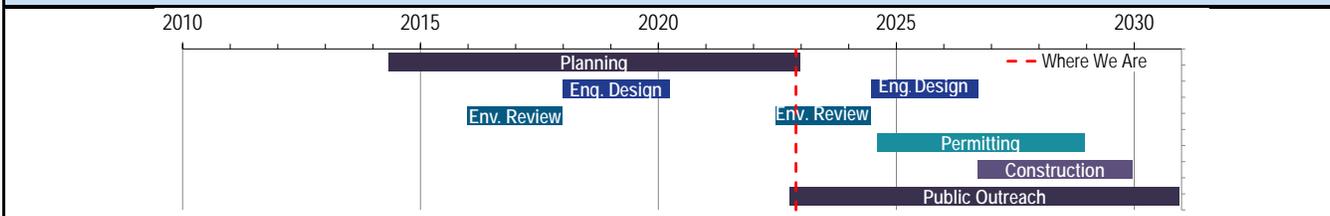
10-Yr CIP Budget Allocation:	\$83.0M	Current Allocation:	\$10.0M
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Institutional Complexity

SFPUC Only Multi-Party Partnership

Institutional complexity is a relative measure that takes into account project service area, project facilities ownership, number of project partners, cost share, and whether SFPUC is construction and design lead.

Estimated Project Schedule (Not a Baseline Schedule)



Current Status	Risks and Uncertainties	Benefits
<p>Planning</p> <p>18-Month Outlook</p> <ul style="list-style-type: none"> Identify Project ownership and cost structure among Partners (SFPUC, Daly City, Cal Water) Develop Term Sheet for project Outreach and communication with cemeteries and Colma 	<ul style="list-style-type: none"> Securing customers (cemeteries and others) Partner buy-in and involvement Finalizing and procuring storage tank location Realizing groundwater offset benefits through GSR Loss of 1-2 SFPUC retail customers, dependent on negotiations with partners 	<ul style="list-style-type: none"> Reducing reliance of cemeteries on groundwater pumping for irrigation will increase the reliability of the Southwest Groundwater Basin for drinking water supply Recycled water supply may be available for additional customers (to be identified) Diversifying water supply portfolio Replace some potable water used for irrigation with recycled water (0.05 mgd)

SFPUC-Alameda County Water District - Union Sanitary District Purified Water Partnership

Project Description

This project will provide a new purified water supply utilizing Union Sanitary District (USD)'s treated wastewater and further treating it through a multi-barrier advanced treatment process to meet or exceed drinking water standards. While the potential volume of supply will be determined through a feasibility evaluation, prior studies indicate the potential for at least 4 mgd of new supply. Purified water produced at USD could be transmitted to the Quarry Lakes Groundwater Recharge Area to supplement recharge into the Niles Cone Groundwater Basin or for other uses in Alameda County Water District's (ACWD's) service area. With the additional water supply to ACWD, an in lieu exchange with the SFPUC would result in more water left in the SFPUC's Regional Water System. Additional water supply could also be directly transmitted to the SFPUC through a new intertie between ACWD and SFPUC. A range of scenarios considering treatment capacity, distribution potential and feasibility are being considered through an evaluation between the three partner agencies.



Quarry Lakes, Alameda County

Project Partners

Union Sanitary District (USD), Alameda County Water District (ACWD) and SFPUC

SFPUC Project Manager

YinLan Zhang

General Project Information

Average Annual Supply	Availability	Supply Type	Local or Regional?	Capital Cost/Acre-Foot
TBD	All Years	Purified Water	Regional	TBD

Total Project Cost

Est. Capital Cost:	TBD	Est. Annual O&M:	TBD
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SFPUC Budget Information

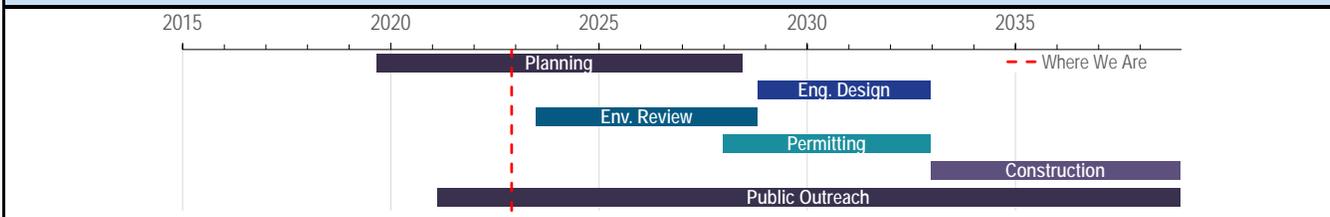
10-Yr CIP Budget Allocation:	\$26.0M	Current Allocation:	\$3.8M
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Institutional Complexity

SFPUC Only Multi-Party Partnership

Institutional complexity is a relative measure that takes into account project service area, project facilities ownership, number of project partners, cost share, and whether SFPUC is construction and design lead.

Estimated Project Schedule (Not a Baseline Schedule)



Current Status	Risks and Uncertainties	Benefits
<p>Planning</p> <p>18-Month Outlook</p> <ul style="list-style-type: none"> Develop and analyze the two selected alternatives 	<ul style="list-style-type: none"> Uncertainty of planned capital improvements at wastewater treatment plant may affect purified water treatment requirements Potential water quality change to Quarry Lakes 	<ul style="list-style-type: none"> Leverages existing facilities to provide water supply

Crystal Springs Purified Water

Project Description

The Crystal Springs Purified Water Project could provide 6-12 mgd of water supply through a combination of reservoir water augmentation at Crystal Springs Reservoir, which is a facility of the RWS, and direct potable water reuse through raw water augmentation or treated water augmentation to partner agencies. Treated wastewater from Silicon Valley Clean Water and/or the City of San Mateo would be conveyed to an advanced water treatment plant to produce purified water that meets state and federal drinking water quality standards. The purified water would then be delivered via pipelines to Crystal Springs Reservoir and directly to water purveyors on the Peninsula. Purified water that goes to Crystal Springs Reservoir would be blended with regional surface water supplies and treated again at Harry Tracy Water Treatment Plant. Purified water that does not go to Crystal Springs would be added directly to the supply of water retailers on the Peninsula. In addition to the SFPUC and the wastewater agencies, Cal Water, Redwood City, Mid-Peninsula Water District and BAWSCA are also participating in the project. Initial feasibility analyses have been completed. Additional planning and preliminary design, including analysis of feasible operational scenarios, impacts to RWS operations, the evaluation of Direct Potable Reuse (DPR) alternatives, as well as treatment train options, are needed to further develop the project and evaluate its impacts.



Crystal Springs Reservoir

Project Partners

Silicon Valley Clean Water, City of San Mateo, Cal Water, Redwood City, Mid-Peninsula Water District, Bay Area Water Supply and Conservation Agency (BAWSCA) and SFPUC

SFPUC Project Manager

YinLan Zhang

General Project Information

Average Annual Supply	Availability	Supply Type	Local or Regional?	Capital Cost/Acre-Foot
TBD	All Years	Purified Water	Regional	TBD

Total Project Cost

Est. Capital Cost:	TBD	Est. Annual O&M:	TBD
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SFPUC Budget Information

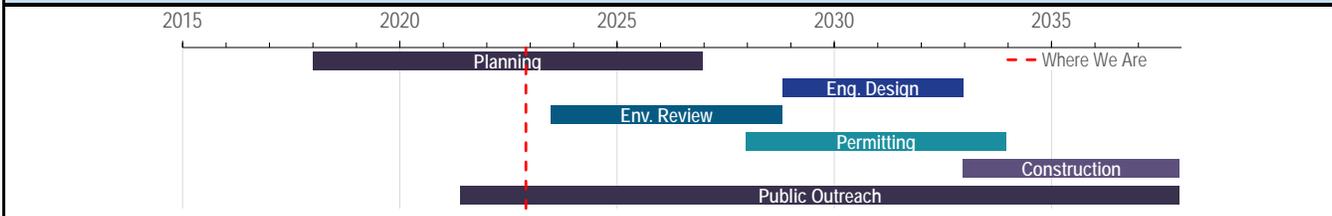
10-Yr CIP Budget Allocation:	\$29.0M	Current Allocation:	\$4.7M
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Institutional Complexity

SFPUC Only Multi-Party Partnership

Institutional complexity is a relative measure that takes into account project service area, project facilities ownership, number of project partners, cost share, and whether SFPUC is construction and design lead.

Estimated Project Schedule (Not a Baseline Schedule)



Current Status	Risks and Uncertainties	Benefits
<p>Planning</p> <p>18-Month Outlook</p> <ul style="list-style-type: none"> Continue analysis of impacts of new water supply into Crystal Springs Reservoir Feasibility study of 12 mgd DPR into RWS Collaborate with partners on Basis of Design Report 	<ul style="list-style-type: none"> Operational and water quality challenges in Crystal Springs Reservoir Construction challenges in parts of distribution area Water supply during non-drought years would impact operations and storage availability in the Regional Water System 	<ul style="list-style-type: none"> Reduces Bay discharges Provides a new drought-resistant water supply

South Bay Purified Water

Project Description

This is a joint purified water project between the SFPUC, City of San Jose, and City of Santa Clara that could provide all-year supply to the cities of San Jose and Santa Clara and dry-year supply to the Regional Water System (RWS). Project sizes are still being evaluated, but an initial concept that is being explored is a 10-mgd advanced water treatment facility (i.e., purified water facility) that would use source water from the San Jose-Santa Clara Regional Wastewater Facility and operate at 6.5-mgd capacity during wet and normal years. During dry years, the facility would ramp up to the full 10-mgd capacity. The additional 3.5 mgd of purified water produced during dry years would be fed into the RWS to increase dry year reliability.



San Jose-Santa Clara Regional Wastewater Facility

Project Partners

City of San Jose, City of Santa Clara, and SFPUC

SFPUC Project Manager

Fan Lau

General Project Information

Average Annual Supply	Availability	Supply Type	Local or Regional?	Capital Cost/Acre-Foot
TBD	Drought and All Years	Purified Water	Regional	TBD

Total Project Cost **Institutional Complexity**

Est. Capital Cost:	TBD	Est. Annual O&M:	TBD	SFPUC Only Multi-Party Partnership
SFPUC Budget Information				Institutional complexity is a relative measure that takes into account project service area, project facilities ownership, number of project partners, cost share, and whether SFPUC is construction and design lead.
10-Yr CIP Budget Allocation:	\$0.0M	Current Allocation:	\$0.0M	

Estimated Project Schedule (Not a Baseline Schedule)



Current Status **Risks and Uncertainties** **Benefits**

Conceptual; Planning 18-Month Outlook <ul style="list-style-type: none"> • Conduct Feasibility Study • Execute Cost-Share Memorandum of Agreement 	<ul style="list-style-type: none"> • Operational and water quality challenges in RWS transmission system • Public acceptance of non-traditional water supply • NPDES compliance related to discharge to receiving waters • Environmental impacts to receiving waters • Impacts of enhanced source water control 	<ul style="list-style-type: none"> • Provides a new drought-resistant supply to San Jose and Santa Clara • Provides a water supply option to support San Jose's and Santa Clara's request for permanent status • Provides a dry-year supply to the Regional Water System
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Los Vaqueros Reservoir Expansion

Project Description

The Los Vaqueros Reservoir Expansion (LVE) Project is a storage project that will enlarge the existing reservoir located in Contra Costa County from 160,000 acre-feet to 275,000 acre-feet. The main objectives of the expansion include increasing water supply reliability for municipal, industrial and agricultural customers as well as ecosystem benefits to south-of-Delta wildlife refuges and Delta fisheries. While the existing reservoir is owned and operated by Contra Costa Water District (CCWD), the expansion will have regional benefits and will be managed by a Joint Powers Authority that was formed in October 2021. Meanwhile, Contra Costa Water District is leading the planning, design and environmental review efforts. The LVE Project includes construction of new pipelines, upgrades to existing facilities and reoperation of some facilities. Storage in LVE can provide a dry year water supply benefit to the SFPUC's Regional Water System (RWS). Currently, SFPUC staff are pursuing scenarios of 20,000 - 40,000 acre-feet of storage. In addition, water supply and conveyance to the RWS need to be determined before the SFPUC determines the extent of participation in the LVE project. Conveyance Alternatives, Brackish Water Desalination, and BARR simulation are planning efforts that are linked directly to this project.



Los Vaqueros Reservoir

Project Partners

Alameda County Water District (ACWD), CCWD, East Bay Municipal Utility District (EBMUD), SFPUC, Zone 7 Water Agency, and the San Luis Delta Mendota Water Authority

SFPUC Project Manager

Senobar Lanigan

General Project Information

Average Annual Supply	Availability	Supply Type	Local or Regional?	Capital Cost/Acre-Foot
To be identified in a separate project	Drought and/or All Years	Storage	Regional	TBD

Total Project Cost

Est. Capital Cost:	\$110M	Est. Annual O&M:	TBD
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Institutional Complexity

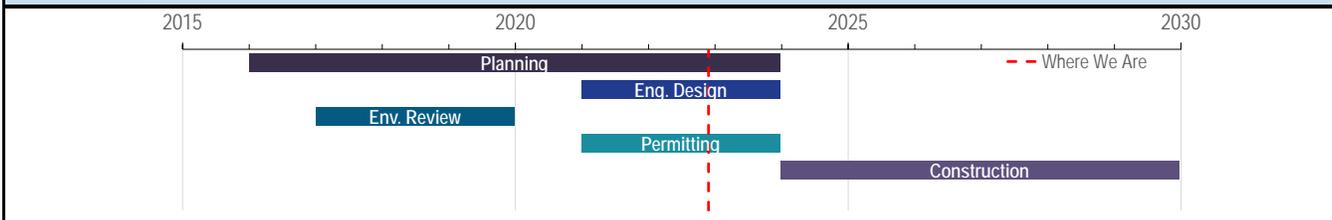


Institutional complexity is a relative measure that takes into account project service area, project facilities ownership, number of project partners, cost share, and whether SFPUC is construction and design lead.

SFPUC Budget Information

10-Yr CIP Budget Allocation:	\$110.1M	Current Allocation:	\$12.0M
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Estimated Project Schedule (Not a Baseline Schedule)



Current Status	Risks and Uncertainties	Benefits
Planning; Environmental Review; Permitting 18-Month Outlook <ul style="list-style-type: none"> Project cost allocations Operational Details Service Agreements Initial Feasibility of water supply options Staff recommendations on conveyance and storage JPA Monthly Meetings Submit EPA Loan Application for \$675M 	<ul style="list-style-type: none"> Capacity and institutional constraints for conveyance to RWS Firm source of water supply Water quality risks and treatment needs, depending upon conveyance pathway 	<ul style="list-style-type: none"> Provides operational flexibility, particularly in drier years Allows the SFPUC to manage existing supply more efficiently

Conveyance Alternatives

Project Description

This project is dependent on the SFPUC's participation in the Los Vaqueros Expansion Project in Contra Costa County. Through this evaluation, SFPUC staff will evaluate the potential mechanism(s) available to transfer or exchange water for the benefit of SFPUC Regional Water System (RWS) customers. The volume of water that can be transferred would be the same volume of water that is stored by SFPUC in Los Vaqueros Reservoir Expansion Project (to be determined).



South Bay Aqueduct

The three conveyance alternatives that will be explored as part of this project using the South Bay Aqueduct (SBA) include 1) a transfer with ACWD; 2) a transfer with Valley Water; and 3) delivery to San Antonio Reservoir. Partners will include the SBA Contractors (ACWD, Zone 7 Water Agency, Valley Water), particularly any agency identified as a feasible transfer partner. Of the three options along the SBA, only one (delivery to San Antonio) provides a water supply directly into the RWS. Any conveyance option utilizing the SBA will likely include pipeline improvements and may also include pretreatment and/or pumping, depending on the option pursued. Reliability of the SBA is critical to the viability of these options.

In addition to the SBA, SFPUC is also considering other alternatives, including the potential for a new intertie with the East Bay Municipal Utility District (EBMUD).

Project Partners

SFPUC and BAWSCA working with SBA Contractors: Alameda County Water District (ACWD), Zone 7 Water Agency, and Valley Water

SFPUC Project Manager

Senobar Lanigan

General Project Information

Average Annual Supply	Availability	Supply Type	Local or Regional?	Capital Cost/Acre-Foot
Dependent on water supply	All Years	Transfer	Regional	TBD

Total Project Cost

Est. Capital Cost:	TBD	Est. Annual O&M:	TBD
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Institutional Complexity

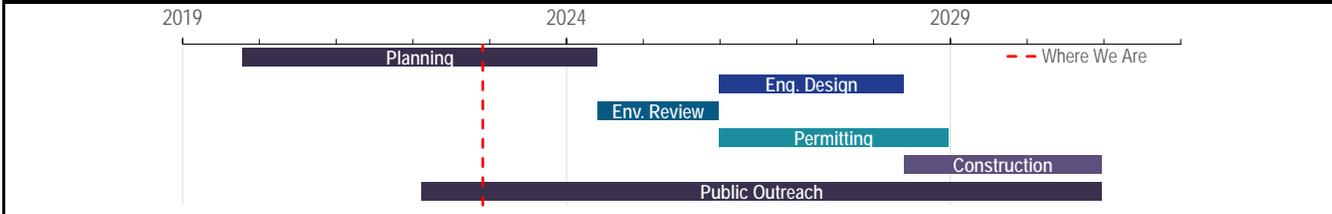
SFPUC Only Multi-Party Partnership

Institutional complexity is a relative measure that takes into account project service area, project facilities ownership, number of project partners, cost share, and whether SFPUC is construction and design lead.

SFPUC Budget Information

10-Yr CIP Budget Allocation:	\$31.0M	Current Allocation:	\$1.5M
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Estimated Project Schedule (Not a Baseline Schedule)

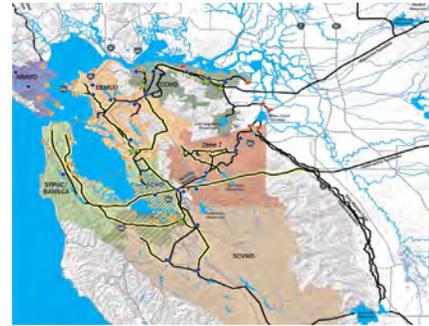


Current Status	Risks and Uncertainties	Benefits
<p>Planning</p> <p>18-Month Outlook</p> <ul style="list-style-type: none"> Identify preferred conveyance and delivery alternative and plan next steps Continue engagement with the Department of Water Resources on conveyance agreement 	<ul style="list-style-type: none"> Institutional arrangements / willingness of stakeholders Treatment and pre-treatment in some cases WQ challenges associated with new source of supply 	<ul style="list-style-type: none"> Leverages existing infrastructure For exchanges (with ACWD and VW) treatment will be delegated to a partner familiar with SBA as a source

Bay Area Regional Reliability (BARR) Shared Water Access Program (SWAP)

Project Description

In 2016, eight of the Bay Area's largest water utilities formed a partnership to explore opportunities to transfer and exchange water across service areas to better serve customers, particularly in times of droughts and emergencies. The partnership is intended to leverage the existing infrastructure and interconnections that exist between the partnering agencies. The Bay Area Regional Reliability (BARR) Partnership includes the following agencies: 1) Alameda County Water District (ACWD), 2) Bay Area Water Supply & Conservation Agency (BAWSCA), 3) Contra Costa Water District (CCWD), 4) East Bay Municipal Utility District (EBMUD), 5) Marin Municipal Water District (MMWD), 6) the San Francisco Public Utilities Commission (SFPUC), 7) Valley Water (formerly Santa Clara Valley Water District and 8) Zone 7 Water Agency.



BARR Service Areas

The BARR Partnership has received two grants from the US Bureau of Reclamation to support for collaborative drought planning. A Drought Contingency Plan was completed in 2017. Currently, the BARR Partnership is completing a Shared Water Access Program (SWAP) to help facilitate future transfers and exchanges that can be implemented more readily in times of drought or emergency by BARR partners. The SFPUC participated in a water transfer simulation with ACWD and BAWSCA that would simulate the use of the South Bay Aqueduct (SBA) for an exchange with ACWD and a transfer into San Antonio Reservoir.

Project Partners

SFPUC and BAWSCA working with SBA Contractors: Alameda County Water District (ACWD), Zone 7 Water Agency, and Valley Water

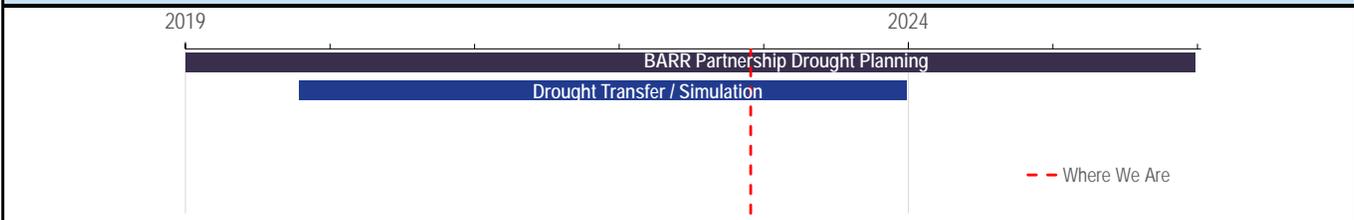
SFPUC Project Manager

Manisha Kothari

General Project Information

Average Annual Supply	Availability	Supply Type	Local or Regional?	Capital Cost/Acre-Foot
Dependent on water supply	Drought Years	Conveyance/Transfer	Regional	TBD
Total Project Cost			Institutional Complexity	
Est. Capital Cost: TBD	Est. Annual O&M: TBD		SFPUC Only Multi-Party Partnership	
SFPUC Budget Information			<small>Institutional complexity is a relative measure that takes into account project service area, project facilities ownership, number of project partners, cost share, and whether SFPUC is construction and design lead.</small>	
CIP Budget Allocation:	\$0.3M			

Estimated Project Schedule (Not a Baseline Schedule)



Current Status	Risks and Uncertainties	Benefits
Conceptual 18-Month Outlook <ul style="list-style-type: none"> Report to the U.S. Bureau of Reclamation Evaluate institutional implications of exchange agreements 	<ul style="list-style-type: none"> Institutional arrangements / willingness of stakeholders Exchange limitations caused by change in water quality parameters of concern 	<ul style="list-style-type: none"> Encourages regional water supply planning and collaboration Leverages existing infrastructure

Bay Area Brackish Water Desalination (Regional Desalination)

Project Description

The Bay Area Brackish Water Desalination (Regional Desalination) Project is a partnership between Contra Costa Water District (CCWD), SFPUC, Valley Water, and Zone 7 Water Agency. East Bay Municipal Utility District (EBMUD) and the Alameda County Water District (ACWD) may also participate. The project could provide 10-20 mgd of new drinking water supply to the region by treating brackish water from CCWD's existing Mallard Slough intake in Contra Costa County. The project relies primarily on available capacity in an extensive network of existing pipelines and interties that already connect the agencies, as well as existing wastewater outfalls and pump stations. The new infrastructure needed for this project includes a treatment facility and upgrades to existing facilities. Zone 7 Water Agency would likely need a new intertie with EBMUD. Depending on the conveyance system used, additional pretreatment and/or facility upgrades may be needed.



Bay Delta Wetland

Early planning studies conducted between 2003-2015 assumed that the project would provide a steady water supply of 9 mgd to the SFPUC in all years; however, the SFPUC is currently seeking drought year supply via storage in Los Vaqueros Reservoir from this project. The final volume share will be subject to negotiation with other partners. The SFPUC would not directly receive desalinated water, but would take delivery of water through a series of transfers and exchanges.

Project Partners

Contra Costa Water District (CCWD), East Bay Municipal Utility District (EBMUD), Valley Water, Zone 7 Water Agency and SFPUC

SFPUC Project Manager

Manisha Kothari

General Project Information

Average Annual Supply	Availability	Supply Type	Local or Regional?	Capital Cost/Acre-Foot
TBD	Dry Years (with storage) and/or All Years	Desalination / Transfers	Regional	TBD

Total Project Cost

Est. Capital Cost:	TBD	Est. Annual O&M:	TBD
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Institutional Complexity

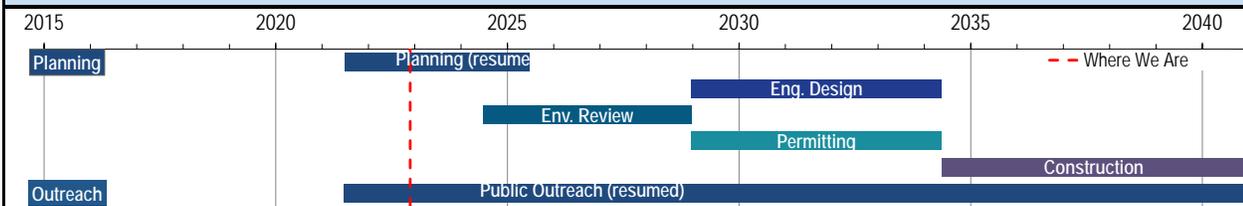
SFPUC Only Multi-Party Partnership

SFPUC Budget Information

10-Yr CIP Budget Allocation:	\$8.0M	Current Allocation:	\$3.5M
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Institutional complexity is a relative measure that takes into account project service area, project facilities ownership, number of project partners, cost share, and whether SFPUC is construction and design lead.

Estimated Project Schedule (Not a Baseline Schedule)



Current Status

Planning

18-Month Outlook

- Feasibility analysis to be included as part of separate alternative water supply study supporting Los Vaqueros Expansion
- Supply potential and delivery mechanism to be worked out among partners

Risks and Uncertainties

- Some impacts to sensitive fish may be unavoidable
- Water rights and permitting likely to be challenging
- Conveyance options are limited to transfer water to Regional Water System
- Exchange with CCWD's CVP supply is the only mechanism to move water into LVE

Benefits

- Availability during dry years
- Lower GHG emissions than seawater desalination
- Leverages existing infrastructure
- Storage option in Los Vaqueros provide dry year benefits

Calaveras Reservoir Expansion

Project Description

This storage project envisions the expansion of Calaveras Reservoir to store excess Regional Water System (RWS) supplies or other source water in wet/normal years. No expansion of water rights from the local watershed is anticipated. With the Calaveras Dam Replacement project in place, Calaveras Dam holds a capacity of 96,850 acre-feet, or 31 billion gallons of water. Through an expansion, up to an additional 289,000 acre-feet, or 94 billion gallons of storage could be realized. Calaveras Reservoir is owned and operated by the SFPUC for the benefit of RWS customers. No external partners are anticipated at this time. The expansion of Calaveras Reservoir would provide storage for additional water that can be available in all water year types. The proposed project would include raising the dam, increasing the capacity of the outlet structures and the spillway, and the addition of any transmission and pumping needed to bring water to Calaveras Reservoir. Constraints including water availability and conveyance will need to be evaluated.



Calaveras Reservoir

Project Partners

SFPUC Only

SFPUC Project Manager

Susan Hou

General Project Information

Average Annual Supply	Availability	Supply Type	Local or Regional?	Capital Cost/Acre-Foot
N/A	Drought Years and/or All Years	Local Storage	Regional	TBD

Total Project Cost

Est. Capital Cost:	TBD	Est. Annual O&M:	TBD
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Institutional Complexity

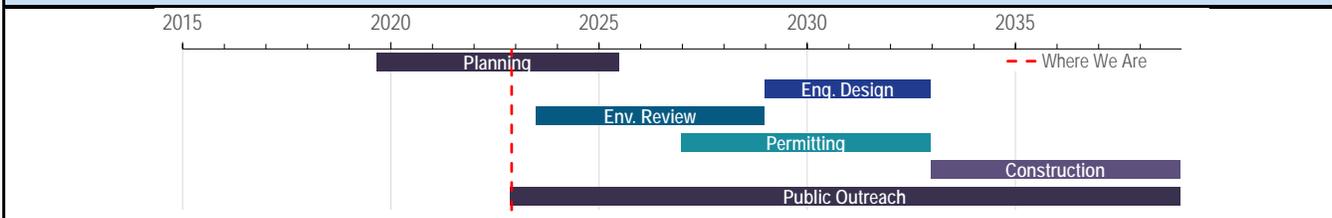
SFPUC Only } Multi-Party Partnership

Institutional complexity is a relative measure that takes into account project service area, project facilities ownership, number of project partners, cost share, and whether SFPUC is construction and design lead.

SFPUC Budget Information

10-Yr CIP Budget Allocation:	\$7.5M	Current Allocation:	\$5.0M
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Estimated Project Schedule (Not a Baseline Schedule)



Current Status	Risks and Uncertainties	Benefits
<p>Planning</p> <p>18-Month Outlook</p> <ul style="list-style-type: none"> • Consultant team identifying and evaluating conveyance alternatives 	<ul style="list-style-type: none"> • Availability of additional water from the Tuolumne River to divert to storage 	<ul style="list-style-type: none"> • Provides operational flexibility, particularly in dry years • Increases storage capacity in the SFPUC's largest reservoir • Increases utilization of Tuolumne River and other wet/normal year supply

Groundwater Banking

Project Description

Groundwater banking in the Modesto Irrigation District and Turlock Irrigation District (the Districts) service areas could be used to provide some additional water supply to meet instream releases in dry years reducing water supply impacts to the SFPUC service area. For example, additional surface water could be provided to irrigators in wet years, which would off-set the use of groundwater, thereby allowing the groundwater to remain in the basin rather than be consumptively used. The groundwater that remains in the basin can then be used in a subsequent dry year for irrigation, subsequently freeing up surface water that would have otherwise been delivered to irrigators to meet instream flow requirements.



Irrigation in MID service area

Feasibility study of this option is included in the proposed Tuolumne River Voluntary Agreement.

Project Partners

MID and TID
Groundwater users within the MID/TID service areas that also receive surface water deliveries from the Districts

SFPUC Project Manager

Ellen Levin and Michael Carlin

General Project Information

Average Annual Supply	Availability	Supply Type	Local or Regional?	Capital Cost/Acre-Foot
Unknown	Drought Years	Groundwater / Storage	Regional	TBD

Total Project Cost

Est. Capital Cost:	TBD	Est. Annual O&M:	TBD
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Institutional Complexity

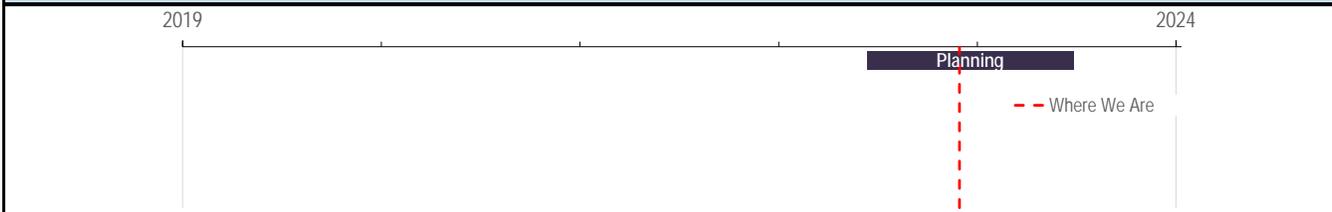
SFPUC Only	<div style="background-color: #e67e22; width: 100px; height: 15px; margin: 0 auto;"></div>	Multi-Party Partnership
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SFPUC Budget Information

CIP Budget Allocation:	\$0.0M
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Institutional complexity is a relative measure that takes into account project service area, project facilities ownership, number of project partners, cost share, and whether SFPUC is construction and design lead.

Estimated Project Schedule (Not a Baseline Schedule)



Current Status	Risks and Uncertainties	Benefits
<p>Conceptual</p> <p>18-Month Outlook</p> <ul style="list-style-type: none"> Evaluate next step based on negotiations of Tuolumne River Voluntary Agreement 	<ul style="list-style-type: none"> Institutional challenges relating to water rights and basin management 	<ul style="list-style-type: none"> Additional storage, with availability in dry years

Inter Basin Collaborations

Project Description

Inter-Basin Collaborations could include establishing a partnership between interests on the Tuolumne River and those on the Stanislaus River, which would allow responsibility for streamflow to be assigned variably based on the annual hydrology. The Tuolumne system tends to spill more excess flow in wetter years than the Stanislaus, and this excess flow could be shaped and credited to meet Stanislaus system requirements, while New Melones Reservoir in the Stanislaus system is refilling. Then the stored water could be partially used to provide required streamflow to meet Stanislaus and Tuolumne requirements in future dry years.



Inter-Basin Collaborations could also include groundwater banking, utilizing the connections between the OID and MID surface water service areas.

Feasibility study of this option is included in the proposed Tuolumne River Voluntary Agreement. Any collaboration would need to protect the interests of all participants.

Reservoirs on the tributaries to the San Joaquin River

Project Partners

Tuolumne interests (SFPUC, MID, TID)
 Stanislaus interests (OID, SSJID, USBR)
 Groundwater users that also receive surface water for irrigation

SFPUC Project Manager

Ellen Levin and Michael Carlin

General Project Information

Average Annual Supply	Availability	Supply Type	Local or Regional?	Capital Cost/Acre-Foot
TBD	Varies	Storage or Exchanges	Regional	Unknown

Total Project Cost

Est. Capital Cost:	TBD	Est. Annual O&M:	TBD
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SFPUC Budget Information

CIP Budget Allocation:	N/A
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Institutional Complexity

SFPUC Only Multi-Party Partnership

Institutional complexity is a relative measure that takes into account project service area, project facilities ownership, number of project partners, cost share, and whether SFPUC is construction and design lead.

Estimated Project Schedule (Not a Baseline Schedule)



Current Status	Risks and Uncertainties	Benefits
Conceptual	<ul style="list-style-type: none"> • Collaboration will require agreements and operational changes among many public and private parties 	<ul style="list-style-type: none"> • Better management of basins can lead to greater regional water supply availability • Water supply and environmental benefits
18-Month Outlook <ul style="list-style-type: none"> • Meeting with other parties to be scheduled pursuant to Voluntary Agreement negotiations 		

Dry Year Transfers - Districts

Project Description

In 2008, the SFPUC Commission adopted the Water System Improvement Program (WSIP) Phased Variant to ensure that the SFPUC could continue to reliably meet the projected needs of its customers through 2030. One element of WSIP Phased Variant was a drought year water transfer. Coupled with the Regional Groundwater Storage and Recovery Project (GSR), this project was intended to ensure drought reliability in the planning horizon. The SFPUC pursued a long-term agreement to transfer 2 mgd from Modesto Irrigation District (MID) in drought years. However, the negotiations were terminated in 2012. Subsequently, SFPUC staff initiated discussions with the Oakdale Irrigation District (OID) to secure a similar drought year transfer. While no transfer has been secured to date, the SFPUC continues to pursue discussions with partners to explore potential transfer opportunities on the Tuolumne River and throughout the San Joaquin Valley.



Don Pedro Reservoir

Project Partners

SFPUC
Oakdale Irrigation District
Modesto Irrigation District

SFPUC Project Manager

Ellen Levin and Michael Carlin

General Project Information

Average Annual Supply	Availability	Supply Type	Local or Regional?	Capital Cost/Acre-Foot
TBD	Drought Years	Transfer	Regional	TBD

Total Project Cost

Est. Capital Cost:	TBD	Est. Annual O&M:	TBD
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SFPUC Budget Information

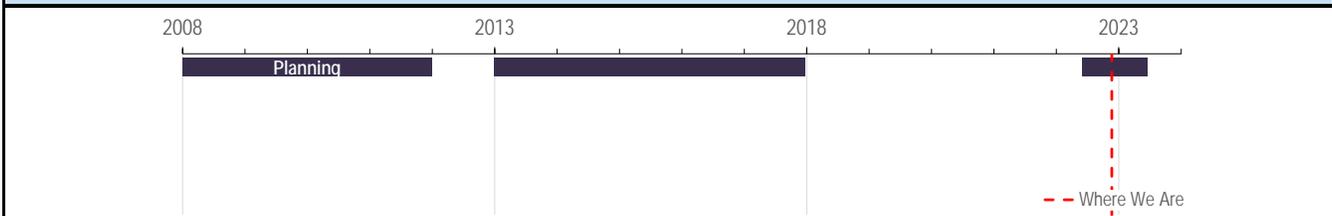
CIP Budget Allocation:	TBD
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Institutional Complexity

SFPUC Only Multi-Party Partnership

Institutional complexity is a relative measure that takes into account project service area, project facilities ownership, number of project partners, cost share, and whether SFPUC is construction and design lead.

Estimated Project Schedule (Not a Baseline Schedule)



Current Status	Risks and Uncertainties	Benefits
Conceptual	<ul style="list-style-type: none"> Institutional arrangements / willingness of stakeholders Availability of supply 	<ul style="list-style-type: none"> Leverages existing supply and existing infrastructure
18-Month Outlook <ul style="list-style-type: none"> Resume discussions with Districts 		

San Francisco Purified Water

Project Description

The San Francisco Purified Water Project is a concept that envisions providing new, local drinking water supply in San Francisco. The project would treat secondary effluent sourced from one or both of San Francisco's all-weather wastewater treatment plants through a multi-stage, multi-barrier advanced treatment process to produce water that meets state and federal drinking water standards. The treated water would then be blended at one or more of San Francisco's drinking water reservoirs. This treatment and distribution process is referred to as treated water augmentation, and State regulations are still under development (anticipated by 2023). The SFPUC would have no external partners in developing the project infrastructure, but close coordination with regulators, other utilities contemplating similar projects, and our communities will be very important throughout the planning and development of this project.



Southeast Treatment Plant

A building-scale research project (PureWaterSF) was completed in 2020 with grant support from the U.S. Bureau of Reclamation and the Water Research Foundation. Data revealed that the treatment processes operated as anticipated. A feasibility study has been completed identifying potential size, scale and other next steps. The project would also provide a tertiary recycled water supply of 1.2 mgd to meet the demands of dual-plumbed buildings in San Francisco that do not currently have a non-potable water supply source (previously reported as the Satellite Recycled Water Project). The SFPUC is continuing to move forward with planning and analysis for this project.

Project Partners

SFPUC only

SFPUC Project Manager

Manisha Kothari

General Project Information

Average Annual Supply	Availability	Supply Type	Local or Regional?	Capital Cost/Acre-Foot
4 mgd	All Years	Purified Water	Local	TBD

Total Project Cost

Est. Capital Cost:	TBD	Est. Annual O&M:	TBD
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Institutional Complexity

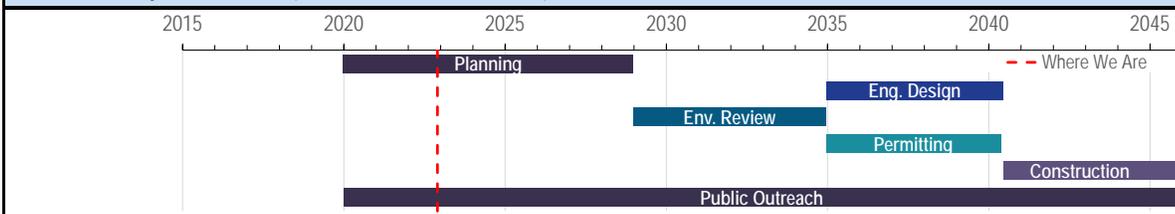


Institutional complexity is a relative measure that takes into account project service area, project facilities ownership, number of project partners, cost share, and whether SFPUC is construction and design lead.

SFPUC Budget Information

10-Yr CIP Budget Allocation:	\$5.5M	Current Allocation:	\$0.5M
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Estimated Project Schedule (Not a Baseline Schedule)



Current Status	Risks and Uncertainties	Benefits
Research / Conceptual 18-Month Outlook <ul style="list-style-type: none"> Evaluate siting options Evaluate brine discharge and permitting needs Evaluate treatment options Initiate public outreach and engagement 	<ul style="list-style-type: none"> Regulatory framework not in place until after 2023 Need for additional testing, analysis and study Public perception 	<ul style="list-style-type: none"> Reduces Bay discharges Takes advantage of treated recycled water availability

Innovations Program

Project Description

This program supports development of new technologies and initiatives to demonstrate the feasibility of atmospheric water generation, heat recovery systems in non-potable systems, expanded leak detection, and breweries treating process water for reuse. Included in the Innovations Program are demonstration of new technologies and grant funds to support partnership opportunities. Examples of projects within the Innovations Program include grant funding to support the reuse of process water in breweries, and onsite reuse projects with heat recovery systems. The SFPUC is also testing leak detection technologies and will pilot the use of atmospheric water generation technology locally.



Fog on Golden Gate Bridge

Project Partners

Various

SFPUC Project Manager

Paula Kehoe

General Project Information

Average Annual Supply	Availability	Supply Type	Local or Regional?	Capital Cost/Acre-Foot
Varies	Varies	Local	Local	N/A

Total Project Cost

Est. Capital Cost:	TBD	Est. Annual O&M:	N/A
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Institutional Complexity

SFPUC Only	Multi-Party Partnership
Institutional complexity is a relative measure that takes into account project service area, project facilities ownership, number of project partners, cost share, and whether SFPUC is construction and design lead.	

SFPUC Budget Information

CIP Budget Allocation:	\$0.5M
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Estimated Project Schedule (Not a Baseline Schedule)



Current Status	Risks and Uncertainties	Benefits
Planning; Pilot Testing 18-Month Outlook • Continue developing projects to demonstrate potential for water savings and supply	• Individual projects may be small, making them costly	• Identifies new technology opportunities to increase efficiency and water availability

Section 3. Program Fundamentals

3.1 Introduction

This section includes background information on the Alternative Water Supply (AWS) Program and is intended to serve as a program reference. It includes information on how the AWS Program was established, program goals, planning priorities, program schedules, and information on resources for program administration such as staffing, funding, and contracting. Much of the information included in this section will be the same from one quarterly report to the next. However, new information may occasionally be added to the section, and useful information presented in the upfront sections of previous quarterly reports may be moved into this section from time to time. When new information is added or if significant updates are made to previously included background information, the sections will be marked as “UPDATED”.

3.2 Purpose of the Program

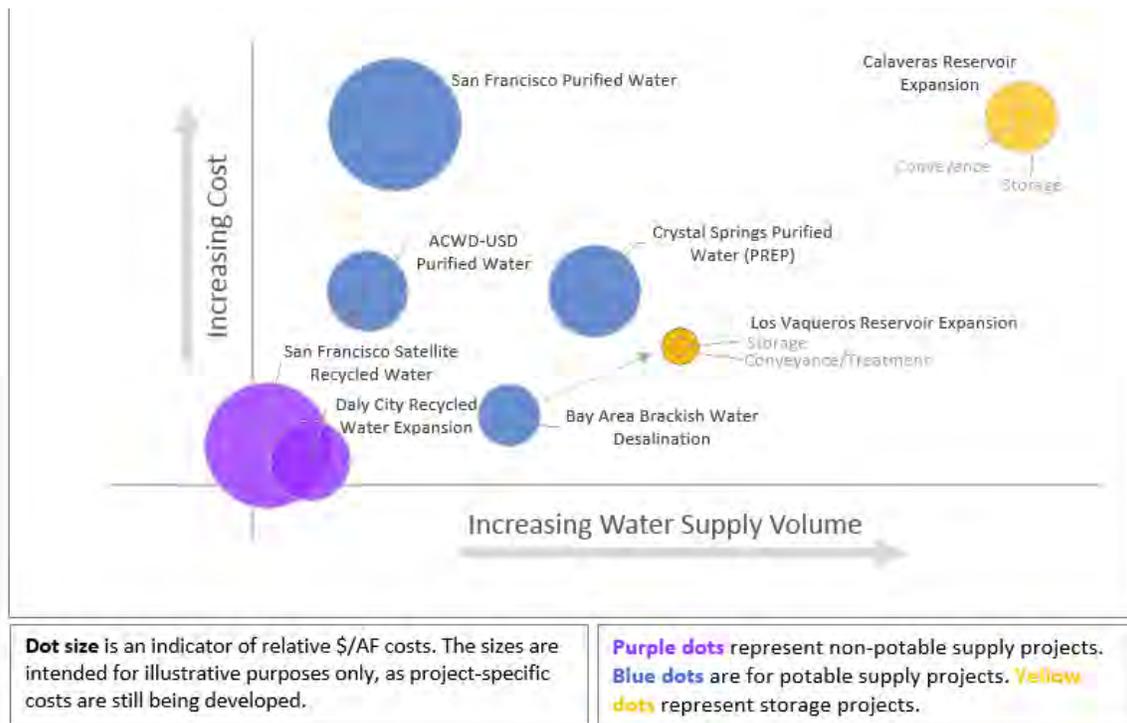
As the SFPUC plans to 1) meet environmental flow requirements and projected obligations for existing customers; 2) evaluate serving new permanent customers and providing additional supply for existing customers; and 3) prepare for future climate effects and other uncertainties through the 2045 water supply planning horizon, there is a need to look beyond current surface water supplies and operations of the SFPUC’s RWS and local groundwater sources. The AWS Program was established to evaluate new and diverse “alternative” water supply options such as expanding storage, groundwater banking, transfers, purified water (potable reuse), desalination, and technological innovations.

The AWS Program includes four regional water supply projects, two regional storage expansion projects, and one local water supply project in San Francisco in addition to continued investigation of innovations. In addition to regional and local water supply projects, the AWS Program includes evaluating and supporting existing infrastructure and pursuing complementary infrastructure options to meet future water supply needs. Included in this category are one evaluation of conveyance to deliver new supplies (under the LVE Project), one simulation of a transfer that can provide insight into the feasibility of a new water supply and exchange opportunities (BARR SWAP), and one project to explore new ways of increasing supply or offsetting demand increases in San Francisco (San Francisco Purified Water Project). Studies are underway to evaluate all these projects. Finally, there are also three additional water supply projects that would require partnerships with Irrigation Districts on the Tuolumne and/or Stanislaus Rivers (referred to here as upcountry projects). These projects may be analyzed in the coming months, in conjunction with negotiation efforts with the State on the Bay Delta Water Quality Control Plan (Bay-Delta Plan). The upcountry projects are described in these quarterly reports, and more information will be provided on their development as it becomes available.

The AWS projects are at varied stages of planning and significant uncertainties about cost, volume and timing of supply availability remain. All the projects under consideration will require significant capital investments and ongoing operations and maintenance support. Storage projects can provide significant water supply volume and can be operated to maximize dry-year deliveries when the SFPUC's anticipated needs are greatest, but they require water supply. Desalination and potable reuse projects offer supplies in the range of 5-12 mgd each, but will likely have significant permitting, water rights and other regulatory considerations. They are also more difficult to operate intermittently for dry-year supply. The lowest-cost projects being considered will likely be the non-potable supply projects, but non-potable demands are increasingly limited, particularly in San Francisco. The tradeoffs associated with projects and other technical, institutional, operational, and financial considerations will continue to be studied and reported on through the planning phase of project development for the AWS projects.

The relative volume and cost of the alternative water supply projects are shown in **Figure 4** below. Purple dots represent non-potable supply projects, blue dots represent potable supply projects, and yellow dots represent storage projects.

Figure 4. Relative Volume and Cost of Alternative Water Supply Projects



3.3 Planning Needs, Priorities and Service Objectives

The need to pursue the various alternative water supply options stems from the significant water supply needs that the SFPUC faces within the planning horizon and because traditional supplies are increasingly limited. While these needs will continue to evolve over time, the adaptive planning approach under the AWS Program is focused on being able to explore and plan a diverse set of water supply options to meet needs when they arise while continuing to provide reliable and sustainable water supply to all of the SFPUC's retail and wholesale customers.

Among the water supply needs before the SFPUC, the most significant is represented by the need to make up for new instream flow requirements on the Tuolumne River. In December of 2018, the State Water Resources Control Board (State Board) adopted amendments to the Bay-Delta Plan. For the SFPUC, the effect of this action is a requirement to leave 40% of unimpaired flows in the Tuolumne River to achieve fishery improvements in the Bay-Delta system. SFPUC staff determined that the impact of this new flow requirement in the Tuolumne River would be a reduction in available water supplies by approximately 93 mgd during dry years at the current contract levels of demand.

The SFPUC is pursuing litigation against the State Board and is simultaneously seeking a compromise solution through a Voluntary Agreement with the State of California. In the meantime, water supply projects take years and even decades to plan and implement. Complexities of implementing alternative water supply projects can require even longer lead times for planning than traditional water supply projects. Thus, there is an urgency to plan new water supply opportunities that provide dry-year reliability to continue meeting the highest priority needs and deliver reliable service.

In the AWS planning framework, water supply needs will be met in the order of priority. These planning priorities, which were first articulated for the Commission in August 2016, have been slightly modified over time and are expressed as follows:

1. Offset instream flow needs and meet regulatory requirements (*obligatory*)
2. Meet existing obligations to existing permanent customers (*obligatory*)
3. Make current interruptible customers permanent (*policy decision*)
4. Meet increased demands of existing and interruptible customers (*policy decision*)

In conjunction with these planning priorities, the SFPUC considers the level of service (LOS) Goals and Objectives related to water supply and sustainability when planning for new water supply opportunities. The key LOS Goals and Objectives relevant to AWS planning are as follows:

- Meet dry-year delivery needs while limiting rationing to a maximum 20 percent system-wide reduction in water service during extended droughts

- Diversify water supply options during non-drought and drought periods
- Improve use of new water sources and drought management, including groundwater, recycled water, conservation, and transfers
- Meet, at a minimum, all current and anticipated legal requirements for protection of fish and wildlife habitat
- Provide operational flexibility (although this LOS Goal was not intended explicitly for the addition of new supplies, it is applicable here)

Together, the planning priorities and LOS Goals and Objectives provide a lens to consider the water supply options and opportunities to meet the foreseeable water supply needs.

3.3.1 Planning Objectives

Consistent with the SFPUC’s LOS Goals and Objectives, the AWS Program aims to plan for and develop new capital projects that can ensure the delivery of reliable water service to its customers throughout the planning horizon. Maintaining reliable water service includes balancing water demands with supply availability, and it also includes having the necessary treatment, conveyance, storage, and distribution infrastructure to support water supply deliveries.

The SFPUC has contractual obligations to provide 184 mgd (Supply Assurance) to Wholesale Customers. Similarly, the SFPUC provides 81 mgd to retail customers. Together, this represents 265 mgd of water supply delivery obligations. San Jose and Santa Clara, interruptible customers of the SFPUC, have requested a minimum permanent supply of 9 mgd and up to 15.5 mgd of dedicated supply. The Commission will have to make a policy decision by 2028 on whether to provide this new supply assurance. For planning purposes, the AWS Program includes 9 mgd as a potential future obligation for San Jose and Santa Clara, enabling the Commission to understand the future total obligations if it were to consider making this commitment in the future.

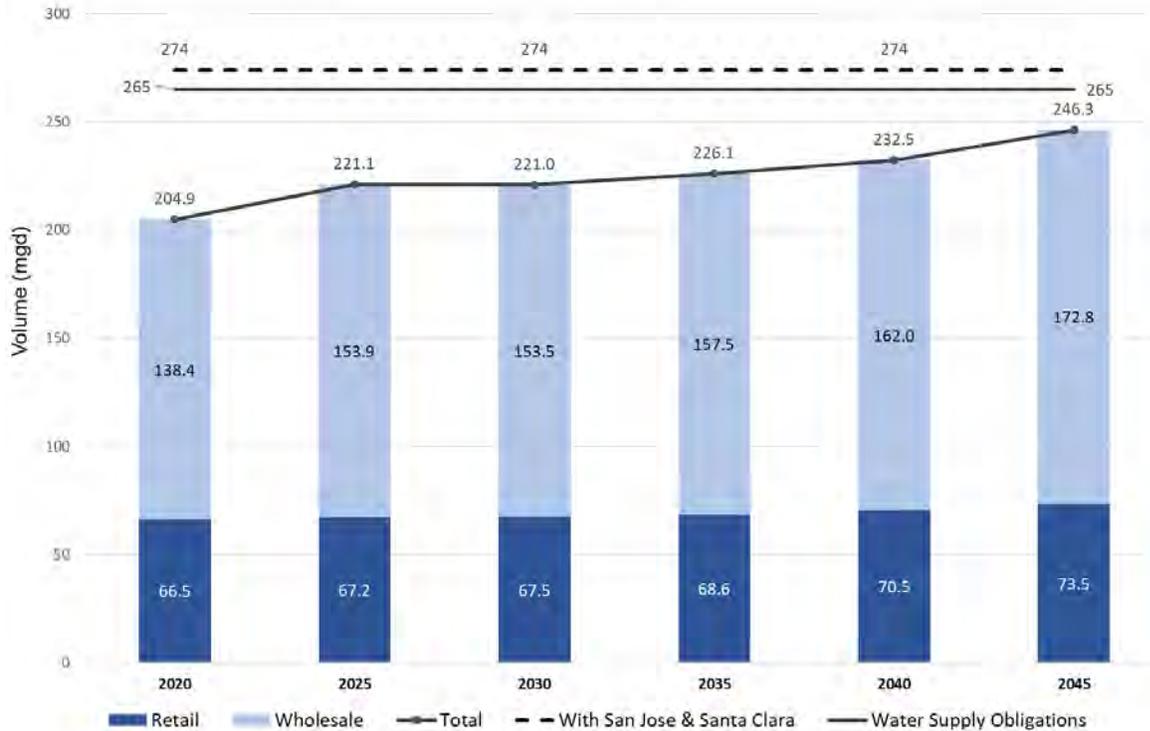
For the SFPUC, water demand constitutes the retail and wholesale customer demand for water provided through the RWS. The SFPUC monitors water delivered to the customers in San Francisco on a regular basis. In the wholesale service area, the actual and projected RWS purchases and total water demand for the 26 Wholesale Customers⁷ is reported by BAWSCA on an annual basis. **Figure 5** below shows the current and potential future obligations, as well as demand projections consistent with the SFPUC’s 2020 Urban Water Management Plan.

In March 2022, BAWSCA published the FY2020-21 Annual Survey that reflects the Urban Water Management Plans and other planning conducted by the Wholesale Customers. The FY2020-21 Annual Survey projects higher demand for water provided through the RWS or RWS purchases

⁷ BAWSCA represents the interests of 26 of the SFPUC’s wholesale customers (not including Cordilleras Mutual Water Company and Groveland Community Services District), generally referred to collectively as the Wholesale Customers.

(172.8 mgd) for 2045, than those shown in the previous AWS Quarterly Reports (162.7 mgd). The increase in the projections reflects the higher projected RWS purchases for several Wholesale Customers due to reasons such as reduced reliance on other water supply sources and increase in water demand in their individual service areas.

Figure 5. SFPUC’s Water Supply Obligations and Projected Demands



Meanwhile, other uncertainties remain on the supply side of the equation. Based on the SFPUC’s system modeling, the RWS would be able to deliver 257 mgd in 2045 under planned drought conditions and current water supply policies, including rationing. Implementation of the Bay-Delta Plan, as adopted, would reduce supply availability during droughts by 93 mgd. Changes in precipitation associated with climate change, new permitting requirements and regulations, and future curtailments are additional factors that can affect supply availability within the planning horizon. These supply-side uncertainties can also trigger the exploration of new water supplies.

3.3.2 Planning Approach: Plan for Obligations, Build for Demands

Recognizing that through the 2045 planning horizon 1) projected demands are lower than the SFPUC’s obligations and 2) there are uncertainties around supply availability, the AWS team is developing a stepwise planning approach to meet customer obligations and implement new projects. It is important to note that while the SFPUC must prepare to meet its obligations by

identifying feasible water supply and associated capital improvement projects, implementation of these large infrastructure projects may be deferred until the need is more imminent for the SFPUC to meet delivery needs. Through the planning process, key decision points for each project must be identified with an understanding of its own risks and benefits, so that the SFPUC can make informed decisions at multiple points within the project on whether and how to proceed. With this adaptive approach, the SFPUC can minimize the financial and operational risks of overcommitting or having insufficient water supplies to fill the gap between demand and supply as both continue to evolve.

Developed in line with this framework, the focus of the current planning effort and the AWS Program is on meeting water supply needs that are evaluated based on the contractual obligations, projected demands, and the available supplies. With the variability in the obligations and projected demands, it is important for the AWS team to simultaneously, aggressively plan for obligations and advance those projects that will ensure that projected demands are met. The matrix below shows the water supply needs under different planning scenarios.

	Obligations (mgd)		Available Water Supply (mgd)		Water Supply Needs (mgd)
	Planning for Obligations (2045) Drought Year	Obligations for Permanent Wholesale Customers, Anticipated Obligations for Interruptible Customers, and Retail Allocation	274	Water supply available with no new instream flow requirements	257
			Water Supply available with implementation of the Bay-Delta Plan and rationing	152	122
	Demands (mgd)		Available Water Supply (mgd)		
	Planning for Demands (2045) Drought Year	Projected Demands in the Retail and Wholesale Service Areas accounting for conservation, and offsets from onsite water recycling and non-SFPUC System supplies	246	Water supply available with no new instream flow requirements	257
Water Supply available with implementation of the Bay-Delta Plan and rationing				152	94

As shown in the matrix, the water demands account for the demand offsets or the reduction resulting from conserving water and implementation of onsite water recycling programs in San Francisco. The SFPUC provides comprehensive water conservation program services open to all residents and businesses in San Francisco by way of the following programs:

- The Innovations Program (described in Section 2) promotes exploration of new ways to conserve and reuse water, recover resources, and diversify water supplies.

- The Local Water Program provides conservation assistance, promotes recycled water to meet San Francisco’s most significant irrigation needs, mandates non-potable supplies for toilet flushing and irrigation in new developments and develops local groundwater to enhance the City’s drinking water supply sustainably now and into the future.
- The Onsite Water Reuse Program allows for the collection, treatment, and use of alternate water sources for non-potable applications in individual buildings and at the district-scale. Under the Non-potable Ordinance, onsite water reuse systems are required for new, large development projects in San Francisco. Recently amended in 2021, Article 12C of the San Francisco Health Code, the ordinance requires new development projects of 100,000 gross square feet or more to install and operate an onsite water reuse system.

The SFPUC has implemented conservation programs to minimize both indoor and outdoor retail water demands, resulting in a per capita residential water consumption rate of 42 gallons per person per day, a rate that is half the statewide average. Although not a core part of AWS planning, the demand offsets are accounted for and updated as part of AWS planning efforts. Recent demand offset i.e., an equivalent reduction in retail demand is estimated at 1.9 mgd.

With the adoption of the Bay-Delta Plan in 2018, the AWS team is proceeding with the assumption that it would be implemented. Although the flow volume may change with the Voluntary Agreement negotiations, the current water supply need to meet obligations is estimated to be 122 mgd. Under the same flow scenario, the water supply needed to meet projected demands is estimated to be 94 mgd.

With the central objective of meeting water supply needs, the planning approach for the AWS Program allows for a process that understands the range of estimated needs and supply availability in the context of uncertainties. It thus informs the different decisions from identifying and conceptualizing projects, planning them, to implementing or advancing them forward.

3.4 Making San Jose and Santa Clara Permanent Customers (*UPDATED*)

Currently, the Cities of San Jose and Santa Clara are interruptible customers of the SFPUC. While the SFPUC has never interrupted water supply to San Jose and Santa Clara, the 2009 Water Supply Agreement (Amended and Restated in 2018) with the Wholesale Customers allows the SFPUC to issue a conditional notice of termination of supply if sufficient long-term water supplies from the RWS are not available. As customer demands increase and uncertainties loom regarding future water supply availability, San Jose and Santa Clara have requested to become permanent customers of the SFPUC. Permanent status would give San Jose and Santa Clara the ability to guarantee water supply availability to support planned growth in the northern portion of each of these cities.

For San Jose and Santa Clara to become permanent customers of the SFPUC, an additional 9 mgd of new, year-round supplies would be needed to meet historic demand levels and up to 15.5 mgd would be needed to meet planned demand through 2045. The 2045 water supply needs for the AWS Program account for the 9-mgd deliveries to San Jose and Santa Clara as part of anticipated wholesale customer obligations.

Customer	Historic Demand	Projected Demand
San Jose	4.5 mgd →	9 mgd
Santa Clara	4.5 mgd →	6.5 mgd

Under the 2009 Water Supply Agreement, as amended in 2018, the SFPUC is committed to making a decision about whether to make San Jose and Santa Clara permanent customers by December 31, 2028. In order to give San Jose and Santa Clara permanent status, the SFPUC would have to identify specific water supplies based on which to provide individual supply guarantees at the combined historic level of 9 mgd. Environmental review for the identified project(s) should be complete for the SFPUC to be able to select water supply alternatives to implement.

Through the evaluation of alternative water supplies, the SFPUC intends to identify supplies that can meet anticipated dry-year needs and help the SFPUC Commission make a policy decision regarding permanent status for San Jose and Santa Clara by 2028. If the Commission chooses not to make San Jose and Santa Clara permanent, the total estimated obligation in 2045 would not include 9 mgd.

The SFPUC is pursuing a purified water opportunity in the South Bay (**Section 1.1**) with San Jose and Santa Clara, which is described now as the South Bay Purified Water Project in **Section 2.1**.

3.5 New Alternative Water Supplies

While the RWS will remain the backbone of the SFPUC’s wholesale and retail supply into the future, stresses on that system and new water supply needs require that alternative water supplies are considered along with creative and sustainable new solutions within the planning horizon to remain resilient and fully meet our needs. In addition to the opportunities identified, SFPUC staff are also continuing to seek more options. The supply categories that are being used for the AWS planning effort are described in the paragraphs below.

Storage (volume dependent on supply availability and conveyance). Both surface water and groundwater storage provide opportunities to hold water when it can be conserved so that it can be available when it is needed the most (dry years). The amount of water storage that can be used is dependent on the amount of additional supplies that could be secured as well as the capacity of the conveyance facilities that connect storage to the RWS. The Calaveras Reservoir Expansion Project and the LVE Project would provide new storage opportunities. The Daly City

Recycled Water Expansion Project would offset groundwater pumping in Colma, leaving more groundwater in the South Westside Basin, supporting the reliability of the ongoing Groundwater Storage and Recovery Project during dry years. In addition, the SFPUC is exploring opportunities for inter-basin collaborations and regional groundwater banking in the Tuolumne River watershed. Expanding the capacity of Hetch Hetchy Reservoir was considered but is not being pursued in the planning horizon at this time.

Dry Year Transfers (~2 mgd). A transfer of water from another agency utilizing existing facilities during dry years would be an ideal way to efficiently utilize existing water supplies. However, during droughts is when there is a significant shortage in water supply, so securing dry-year transfers has proven difficult in the past due to institutional complexities. SFPUC staff are continuing to pursue all feasible opportunities.

Purified Water (Potable Reuse) (~10-25 mgd). Potable reuse is a process by which treated effluent from a wastewater treatment plant undergoes advanced treatment, including filtration, reverse osmosis, disinfection, and advanced oxidation, to produce purified water (the product) that is comparable to drinking water standards. Depending on the nature of the project, this purified water can be used to augment surface water supplies, recharge a groundwater basin, or be blended in a drinking water reservoir for direct distribution. The latter form of potable reuse (also termed as treated water augmentation) is not yet regulated, but expected to be in 2023. Several utilities in California are considering purified water projects.

Unlike dry-year transfers or storage projects that can enhance drought period reliability, potable reuse projects are generally designed to be operated in all years, including wet/normal years when use and storage capacity for that water may be limited or unavailable. In addition to pursuing these projects, SFPUC staff continue to look for design and technology solutions for intermittent or scalable use.

Desalination (~5-15 mgd). The Brackish Water Desalination Project could provide 5-15 mgd of new supply for the SFPUC. The proposed project would be located in East Contra Costa County with partners including CCWD, Zone 7 Water Agency and Valley Water. EBMUD and ACWD may play an active role in the project in the future. Similar to potable reuse projects, a regional desalination project would likely need to be operated year-round to maintain the integrity of the treatment systems unless scalable design or technology solutions are identified. However, developed in conjunction with the LVE Project, this project could be used to provide greater dry-year supply reliability.

3.5.1 Water Supply Programs not included in the AWS Program

In 2008, the SFPUC Commission adopted the Phased Water Supply Improvement Program, a variant of the proposed program that included 10 mgd of conservation, recycled water and groundwater in San Francisco, and 10 mgd of conservation, recycled water and groundwater in the wholesale service area.

San Francisco is implementing its 10 mgd increment of local supply through the Local Water Supply Program. The program includes the San Francisco Groundwater Supply Project to augment San Francisco's retail water supply with local groundwater, and several recycled water projects, including the Westside Enhanced Water Recycling Project, to provide non-potable water for irrigation.

Individual wholesale customers have implemented active conservation programs in their service areas to maintain low per capita use and are similarly investing in groundwater and water recycling programs to offset potable demands. The SFPUC does not track non-RWS supplies in the wholesale service area; however, staff shares best practices and coordinates on planning and messaging through BAWSCA and common planning efforts.

It's important to note that the projects identified to meet the 10 mgd local water supply commitments under Phased Water Supply Improvement Program were being planned well before the new water supply needs of 94 mgd to 122 mgd were identified; therefore, they are not counted toward meeting the current water supply needs that are the focus of the AWS Program.

3.6 Planning for Implementation

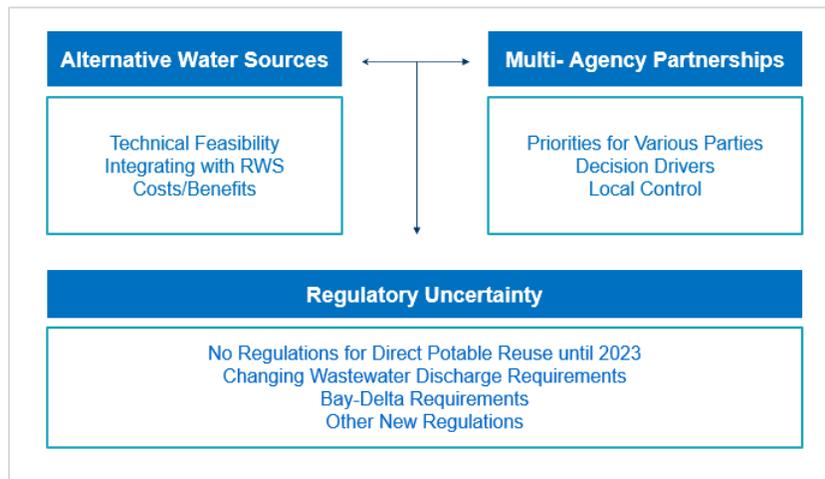
If all the projects identified through the SFPUC's current AWS planning process to date could be implemented, there would still be a supply shortfall to meet dry-year demands with San Jose and Santa Clara all-year water supply needs included. Furthermore, each of the supply options being considered has its own inherent challenges and uncertainties that may affect our ability to implement it.

Given the limited availability of water supply alternatives - unless the supply risks are significantly reduced or the water supply needs change significantly - the SFPUC will continue to plan, develop, and implement all project, partnership and policy opportunities that can help bridge the anticipated water supply gaps. In 2019, a survey was completed among water and wastewater agencies within the SFPUC service area to try to identify additional opportunities for purified water. Such opportunities remain limited, but staff continue to pursue all possibilities, and water supply options identified here may be augmented over time.

3.7 Trends and Risks

Of the regional water supply options being considered, there is only one (Calaveras Reservoir Expansion) that does not involve multi-party partnerships with institutional complexities. In all other cases, the SFPUC relies on our partner water and wastewater utilities to move forward due to jurisdictions over water sources or infrastructure. Therefore, other agencies' priorities, decision-making processes, funding, and other constraints are also factors in the feasibility, cost, and schedule of these regional projects (**Figure 6**).

Figure 6. Special Considerations for the Alternative Water Supply Program



Another risk facing some of the projects is regulatory uncertainty. While the State Board has adopted regulations for some forms of potable reuse, including groundwater injection and surface water augmentation, it has yet to pass regulations concerning direct potable reuse. Without clear regulatory guidance, projects with direct potable reuse components are at risk due to uncertainties concerning water quality criteria, treatment technologies, and overall feasibility.

3.8 Timeframe (UPDATED)

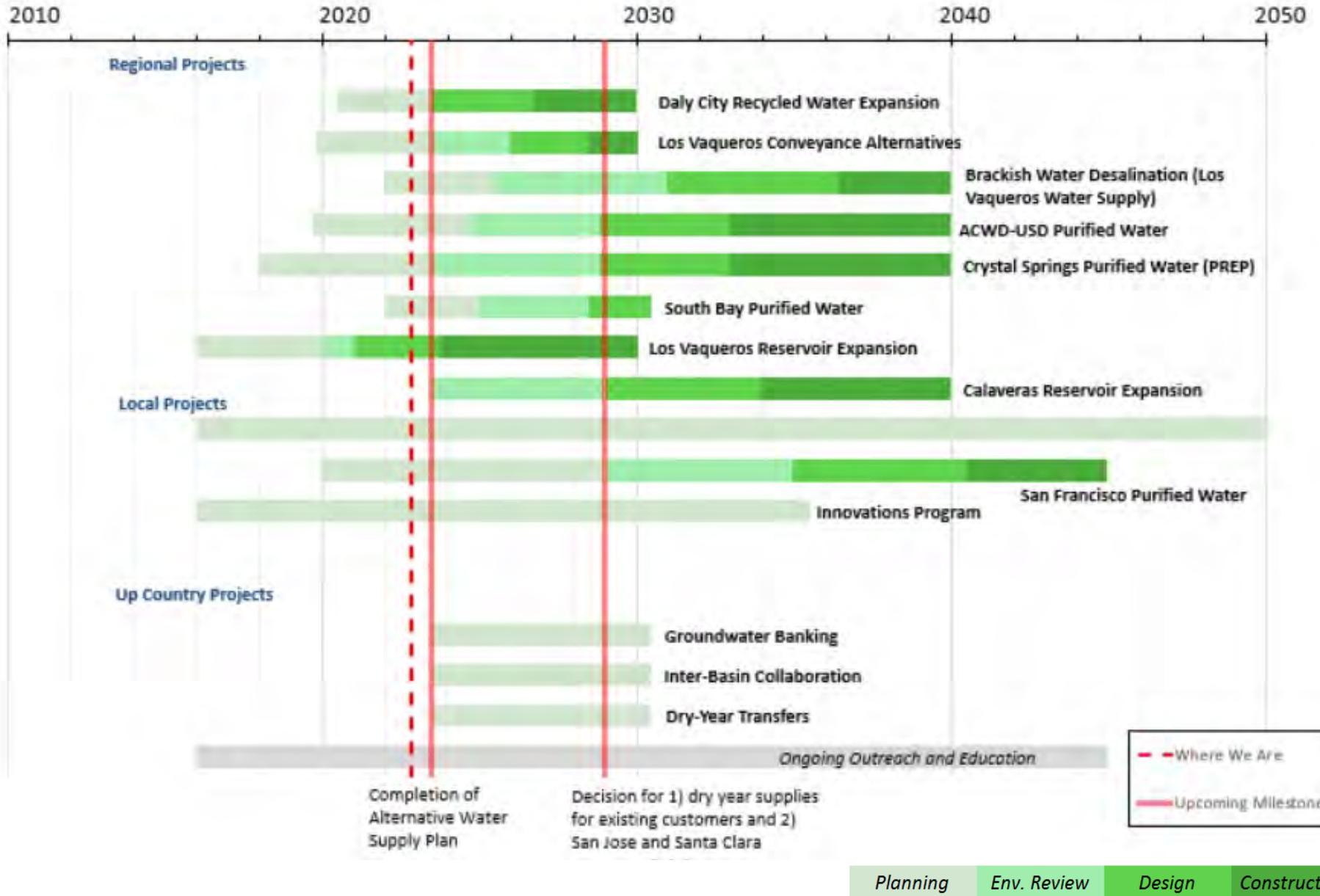
Planning is progressing for the proposed AWS projects. Given the level of complexity and uncertainty, project implementation is expected to take between 10 and 30 years. As planning continues, the timing of water supply needs will be taken into account such as implementation of Bay-Delta Plan requirements during the next drought or the decision by 2028 to make San Jose and Santa Clara permanent customers.

As with traditional infrastructure projects, there is a need to progress systematically from planning to environmental review, and then on to detailed design, permitting and construction of the AWS projects. Given the complexity and inherent challenges described in the previous sections, these projects will require a long lead time to develop and implement.

Typically, a minimum of 10% design is needed to obtain the level of project detail required to begin preparation of an environmental document. To achieve this, the SFPUC will need to work closely with its partners to complete the feasibility phase of the projects and make decisions about which projects to pursue no later than 2023. Environmental review for the Los Vaqueros Reservoir Expansion Project and the Daly City Recycled Water Expansion Project are complete. Other AWS projects described in this report are moving toward completing feasibility studies by or before 2023.

A high-level schedule overview of each AWS project is shown on the next page. The AWS Plan development is also in process and will be completed by July 2023. As shown in the schedule, the AWS Plan will be developed concurrently with ongoing project-level analyses.

Proposed Programmatic Schedule



3.9 Staffing

In order to advance the planning for several of the AWS projects expeditiously, the SFPUC established a new group within the Water Resources Division in 2020. The group has four project managers: two focused on detailed project-specific efforts; one focused on local and regional projects and coordination with other resource areas; and one dedicated to long-term planning including the development of the AWS Plan by 2023. The group is led by planning manager who focuses on program management and implementation including cross-project planning.

3.10 Water Supply Task Force

Success in planning water supply projects will ultimately depend on the ability to operate and integrate the new supplies into the existing water supply network. This goal is even more challenging when the new water supplies are from very different sources from the existing surface water and groundwater supplies.

To advance the AWS projects in a thoughtful way, the SFPUC has a Water Supply Task Force that brings together a cross-functional group including planning, policy, environmental management, operations, water quality, finance, legal, and communications resources. Through early and frequent communications on all of the proposed projects, this group helps in anticipating long-term risks and challenges and addressing them early in the planning process. The Water Supply Task Force convenes every two weeks and has continued to do so remotely since March 2020.

3.11 Regional Project Funding (*UPDATED*)

Budget planning for the 10-year CIP is currently underway. Planning funds are allocated for the AWS Program. Future planning and implementation needs will be identified in the AWS Plan, which will be due to the Commission in the summer of 2023.

3.12 Professional Services Contracts

The Water Resources Division is managing two as-needed joint venture contracts with a capacity of \$4 million each with 1) Carollo Engineers and Water Resources Engineering (WRE) and 2) Woodard and Curran and SRT Consultants. Some of the capacity in these contracts will be used for planning studies associated with the AWS Program, as needed to meet planning objectives. These contracts enable the SFPUC to move quickly to evaluate specific planning needs. If necessary, other as-needed contracting capacity through the Water Enterprise may also be available. It is anticipated that additional professional services support will be utilized to advance planning efforts.

3.13 Adapting to an Uncertain Future

The AWS Program is intended to identify, screen, and plan for new alternative water opportunities that can help meet the SFPUC's foreseeable water supply needs over the planning horizon. Recognizing that these projects would introduce new sources of supply and require new partnerships, this program necessarily requires an integrated and holistic planning approach, both within the SFPUC and with external partners. Given the uncertain nature of planning needs, it also requires some built-in adaptability and flexibility. As this section described, the AWS Program has the infrastructure and resources needed to continue to plan in a changing environment.