BAY AREA WATER SUPPLY AND CONSERVATION AGENCY
BOARD OF DIRECTORS MEETING

March 14, 2025

Correspondence and media coverage of interest between February 12, 2025 and March 13, 2025

Correspondence

From: Peter Drekmeier, Policy Director, Tuolumne River Trust
To: Chair Chambers and Members of the BAWSCA Board
Date: March 3, 2025
Subject: Tuolumne River Voluntary Agreement

From: Stuart Greenburg – Stevenson Ranch, Ca
To: BAWSCA Board of Directors
Date: February 19, 2025
Subject: Restore Remote Public Comment at BAWSCA

From: Dave Warner
To: BAWSCA Board of Directors
Date: February 12, 2025
Subject: Financial Projections Put You in a Tough Spot

From: Peter Drekmeier
To: President Kate Stacy and Commissioners
Date: February 10, 2025
Subject: Item 13: 10-Year Financial Plan

Water Supply Conditions:

Date: March 3, 2025
Source: Mercury News
Article: Three wet winters in a row for the first time in 25 years? Sierra Nevada snowpack 85% of normal, with more storms forecast

Date: February 24, 2025
Source: Public Policy Institute of California
Article: How February's Atmospheric Rivers Affected California's Water Supply

Water Management:

Date: March 13, 2025
Source: LA Times
Article: Water officials knew that opening dams to meet Trump's wishes was ill-advised. Here's why it happened anyway

Date: March 6, 2025
Source: Farm Progress
Article: DWR's Nemeth signals détente with feds on water

Water Quality:

Date: February 21, 2025
Source: Bay City News Service
Article: Bay Area Legislator Introduces Bill To Help Clean Up 'Forever Chemicals' From Water Supply

Date: February 19, 2025
Source: The Hill
Article: California lawmaker proposes state-level 'forever chemical' limits

Water Infrastructure:

Date: February 21, 2025
Source: Mercury News
Article: State considers how to spend nearly half a billion dollars available after Collapse of Los Vaqueros Reservoir expansion project

Yosemite:

Date: March 4, 2025
Source: The Bulletin
Article: Time to Make America's Parks Accessible again (MAPAA) & 'sell' Yosemite et al to California for $1

From:	Peter Drekmeier
To:	bawscaboardofdirectors; tchambe@comcast.net; Tom Smegal
Subject:	Tuolumne River Voluntary Agreement
Date:	Monday, March 3, 2025 2:17:26 PM
Attachments:	TRT Letter to BAWSCA re-TRVA.pdf Sandkulla Response to TRT Letter.pdf

Dear Chair Chambers and BAWSCA Board:

A recent response to a Public Records Act request confirmed that the BAWSCA Board never voted to take a position on the Tuolumne River Voluntary Agreement (TRVA). It was just assumed that the former BAWSCA CEO's position was that of the agency. This is not how good governance works.

Please schedule a study session on the TRVA as soon as possible. TRT would like to present important information to help BAWSCA make a well-educated decision.

BAWSCA's former CEO did give a presentation on the TRVA once to the BAWSCA Policy Committee on December 9, 2020. TRT found major flaws in that presentation, and responded with a 15-page letter (attached). The response we received back (also attached) stated:

> The points made in your letter relate primarily to the science behind the proposed Tuolumne River Voluntary Agreement (TRVA) that has been developed by the water rights holders on the Tuolumne, the SFPUC and the Modesto and Turlock Irrigation Districts (Districts). For this reason, BAWSCA has forwarded your letter to the SFPUC for further response. Given their role in developing the TRVA, it is most appropriate for these agencies to respond to your comments directly.

The SFPUC never responded to the issues raised in our letter.

Please agendize a study session to review the TRVA and allow TRT an opportunity to present.

Thank you.

-Peter

Peter Drekmeier
Policy Director
Tuolumne River Trust
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January 20, 2021

Chair Barbara Pierce and Board Members
Bay Area Water Supply and Conservation Agency (BAWSCA)
155 Bovet Road, #650
San Mateo, CA 94402

Via Email

Re: Response to December 9, 2020 BAWSCA presentation on "*Six Concerns Raised by Others Regarding the TRVA and the Facts*" and "*Eight Recent Comments About BAWSCA and Its Member Agencies' Bay Delta Efforts and the Facts*."

Dear Chair Pierce and BAWSCA Board Members:

BAWSCA has two main relationships with the SFPUC, one as a partner and the other as a watchdog. This is appropriate, and should apply to all issues. BAWSCA does a good job at keeping an eye on its financial and water supply interests, but a poor job as an environmental watchdog. On issues such as the Bay Delta Water Quality Control Plan and Federal Energy Regulatory Commission (FERC) licensing of Don Pedro and La Grange Dams, BAWSCA relies heavily on the SFPUC for talking points, and doesn't do enough of its own analysis. In this realm, BAWSCA has failed its constituents, who care deeply about the environment.

The Tuolumne River Trust (TRT) was very disappointed by a presentation given to the BAWSCA Policy Committee on December 9, 2020. In the spirit of improving communication, this letter shares TRT's responses to comments presented as facts at that meeting. Furthermore, we request an opportunity to meet with BAWSCA representatives to discuss our differences on the Bay Delta Plan and competing Tuolumne River Voluntary Agreement (TRVA). We may not all agree on certain policy decisions, but we certainly should base our positions on mutually-accepted facts.

Following are BAWSCA's responses to concerns raised about the TRVA and TRT's responses to BAWSCA's comments.

Six Concerns Raised by Others Regarding the TRVA and the Facts

Concern #1: The TRVA does not include enhanced stream flow.

BAWSCA Response #1: The TRVA provides increased flows on the Tuolumne River in all water year types over current average requirements.

TRT Response: The concern as stated obfuscates the issue. The issue is that the TRVA's additional flows are limited and wholly inadequate. In 2010, the State Water Resources Control Board (Board or Water Board) issued a flow criteria report that concluded 60%

of unimpaired flow on the lower San Joaquin River and its three major tributaries, including the Tuolumne River, between February and June would be necessary to protect biological resources and restore the Bay-Delta ecosystem. In 2012, the Board released its first draft Substitute Environmental Document (SED), recommending a range of unimpaired flow from 25% to 45%, starting at 35%, between February and June, to be determined by whether biological goals and objectives were being met. The purpose of the range in flows was to incentivize non-flow measures, such as habitat restoration and predator control, which the Board does not have the authority to mandate. The Board has always acknowledged that a combination of flow and non-flow measures would be necessary to restore the ecosystem.

Following months of comments from State and Federal agencies, water agencies, and environmental and fishing groups, the Board worried the SED was insufficient to withstand legal challenges, and directed staff to revise it. In 2016, a new draft SED was released, recommending a range of unimpaired flows from 30% to 50%, starting at 40%.

BAWSCA Response #2: The TRVA will provide enhanced Tuolumne River flows resulting in 24,000 to 110,000 acre-feet of greater flows above current average requirements.

TRT Response: This comment is misleading because it refers to "required discharge" rather than "total discharge," which most people would assume the numbers refer to. The key words in BAWSCA's response are "above current average ***requirements***."

Required discharge primarily involves better timing of "spill" – water that must be released when reservoirs are expected to fill in order to prevent downstream flooding. Little of the required discharge included in the TRVA is new water.

The following graph from the TRVA[1] shows required discharge to be 216 thousand acre-feet (TAF) under the base case, 673 TAF under the Water Board's 40% unimpaired flow, and 351 TAF under the TRVA. In other words, the TRVA would produce 38.5% more "required discharge" than the base case.

"Total discharge" is an entirely different story. Under the base case it is 821 TAF, under the Bay Delta Plan 40% unimpaired flow it is 987 TAF, and under the TRVA it is 859 TAF. The TRVA would produce only 4.5% more "total discharge" than the base case. BAWSCA should correct or clarify its response to avoid misleading readers.

[1] Voluntary Agreements, Appendix A6: Tuolumne River, page A-192.

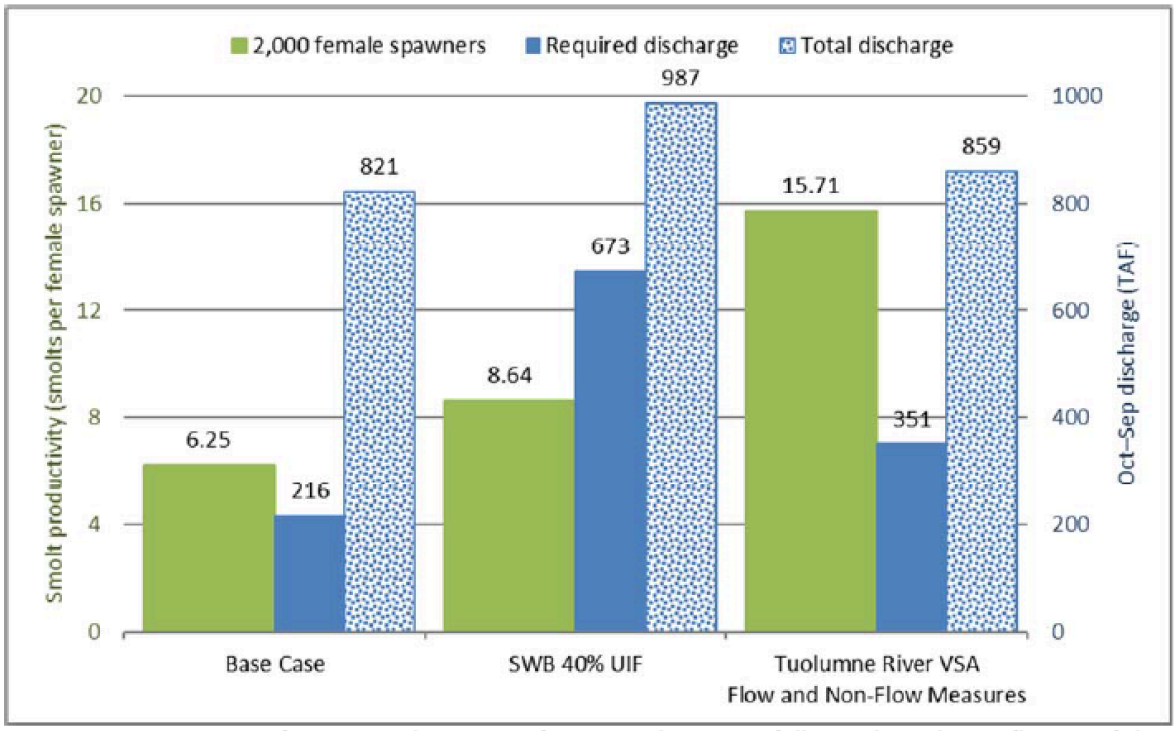


Figure 10. *Comparison of anticipated increase of FRCS smolts successfully reaching the confluence of the San Joaquin River. Required and total discharge measured at the La Grange gage.*

After decades of ecological decline on the Tuolumne, the Irrigation Districts should already have been managing spill to "allow sufficient water at all times to pass through a fishway, or in the absence of a fishway, allow sufficient water to pass over, around or through the dam, to keep in good condition any fish that may be planted or exist below the dam," as required by Fish and Game Code Section 5937. Using better timing of spill as a bargaining chip in the TRVA is inappropriate.

Furthermore, the comparison of female spawners in the above graph is misleading. If the Bay Delta Plan were producing the poor results shown, the unimpaired flow requirement would increase to 50%. The water agencies would not just sit by idly and allow this to happen. They would implement the non-flow measures included in the TRVA to reduce the unimpaired flow requirement to as low as 30%. It is this scenario that should be compared to the TRVA. Otherwise, the TRVA should be compared to the Bay Delta Plan at 50% of unimpaired flow.

Concern #2: Habitat enhancement is being advanced instead of flows.

BAWSCA Response #1: The TRVA habitat enhancements are designed to work in concert with additional flows.

TRT Response: Again, this statement is misleading. The basis of the TRVA is that a combination of habitat enhancement and limited additional flows can achieve better results than the Bay Delta Plan's significantly higher level of flows in the absence of non-flow measures. Bay Delta Plan flows, coupled with non-flow measures, would produce much better results than the TRVA.

Keep in mind the Water Board, with all its experts, spent more than 10 years preparing the Bay Delta Plan, with numerous public hearings and opportunities to submit written comments, and based its conclusions on peer-reviewed science, unlike the TRVA.

BAWSCA Response #2: The TRVA is based in and framed around adaptive management that includes the ongoing implementation and evaluation of flow and non-flow measures.

TRT Response: This statement is misleading due to the TRVA's use of the term "adaptive management." Adaptive management, as used in the Bay Delta Plan, measures performance against a set of biological goals and objectives and then increases or decreases an applied resource (water) depending on whether or not the goals and objectives are being met. "Adaptive management" as used in the TRVA refers to optimizing the use and timing of a finite set of resources. In the current version of the TRVA, those resources are the initial capital investment and operations and maintenance costs, 4.5% additional flow, and better management of spill water. The TRVA has vague, limited biological goals and no additional investment of water or habitat enhancement if goals are not met.

A major problem with the TRVA is that it plans for a number species at different life stages coexisting in the river channel. This is not natural, and exacerbates predation of juvenile fish. In a natural environment, mature fish inhabit the main channel where water is faster moving and cooler, while baby fish inhabit floodplains where the water is slower moving and warmer, and they have access to more food and refuge from predators.

The TRVA is full of examples of the need to make trade-offs between species and life stages. For example:

> Adult *O. mykiss* [rainbow trout and steelhead] habitat is 78% of maximum WUA [weighted usable area] at 200 cfs. An alternative flow of 150 cfs was considered, which improves fry habitat to 78% of maximum WUA, but decreases adult habitat to 70% of maximum WUA. At 150 cfs, average daily water temperatures at RM 43 are less than 20 C until maximum daily air temperature exceeds 95 F, which occurs on average three days in June. An alternative flow of 300 cfs increases adult WUA to 90%, but decreases fry to just over 60% of maximum WUA.[2]

The above conclusion refers to a single species. Elsewhere in the TRVA are examples of trade-offs needed to be made between different species.

It's more than a little odd that the SFPUC's Environmental Stewardship Policy (ESP) embraces the unimpaired flow approach to river management on the upper Tuolumne, yet they support a different approach on the lower Tuolumne. The ESP states:

> It is our policy to operate the water system in a manner that protects and restores native fish and wildlife downstream of our dams and water diversions, within reservoirs, and on our watershed lands. Releases from reservoirs will (consistent with our mission described above, existing agreements, and applicable state and federal laws), mimic the variation of the seasonal hydrology (e.g., magnitude, timing, duration, and frequency) of their corresponding watersheds in order to

[2] Ibid, page A-171.

sustain the aquatic and riparian ecosystems upon which these native fish and wildlife species depend.[3]

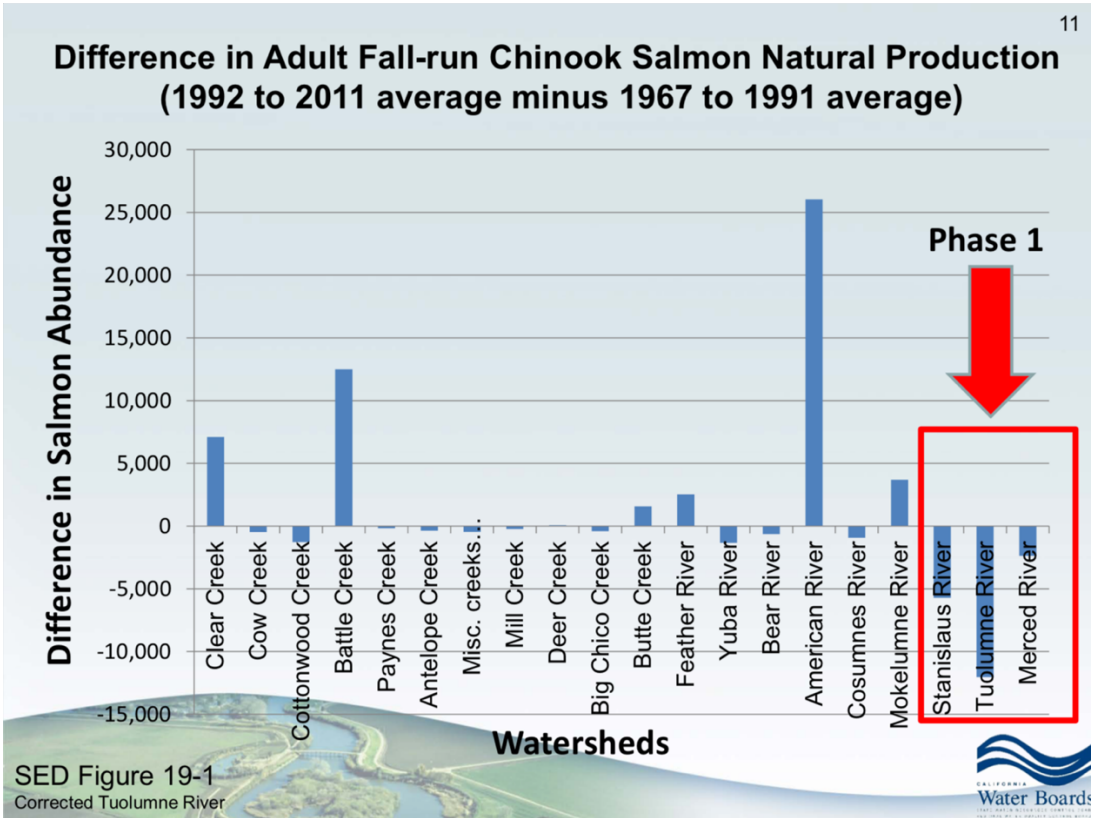
Concern #3: The TRVA is based on inadequate science and flawed governance structures.

BAWSCA Response: The TRVA is built on best available science and decades of monitoring, data collection and multiple River-specific studies.

TRT Response: This is an opinion, not a fact. The fish studies upon which the Tuolumne River Management Plan and TRVA are based have been discredited by the peer review commissioned by the National Marine Fisheries Service (see TRT response to Concern #4).

The Irrigation Districts have a terrible track record of managing the Tuolumne, despite their "scientific" studies. Consider this. In 1944, 130,000 salmon spawned in the Tuolumne. This occurred after many decades of in-river mining, the introduction of striped bass in the late 1800s, and La Grange Dam having blocked access to 85% of historic spawning grounds since 1893. Based on these facts, we can surmise that the Tuolumne historically hosted 150,000 to 200,000 salmon. In 2020, the number barely topped 1,000.

The following graph shows that the Tuolumne's salmon population is the worst off in the Central Valley.



Source: State Water Board

[3] SFPUC Water Enterprise Environmental Stewardship Policy – http://sfwater.org/index.aspx?page=181

A good example of a non-flow measure failing as a result of inadequate flows is the Special Run Pool (SRP) 9 project. This project resulted from the 1995 Settlement Agreement, which, like the TRVA, placed a significant focus on reducing predators and predator habitat. SRPs are in-river gravel pits that harbor non-native species. The SRP 9 project filled in a pit, but after expending approximately $2.8 million, it simply exchanged one non-native predator (largemouth bass) with another (smallmouth bass).

The Districts' own post-project monitoring report was clear about the importance of flows in affecting predator habitat. It stated:

> During extremely wet years, high flows can flush largemouth bass out of a stream, but typically a sufficient number of adults can find shelter in flooded areas to repopulate the stream during lower flow conditions (Moyle 2002). During the years following the flood, largemouth bass abundance was controlled by spring and summer flow conditions that were unfavorable for reproduction. Largemouth bass require low water velocities and warm water temperatures to reproduce (Moyle 2002, Swingle and Smith 1950, Harlan and Speaker 1956, Mraz 1964, Clugston 1966, Allan and Romero 1975, all as cited in Stuber et al 1982) (p 130).[4]

Concern #4: A review performed by a National Marine Fisheries Service (NMFS) consultant of the fishery models that support the TRVA proves that the scientific basis of the TRVA is inadequate to evaluate long-term fish management on the river.

BAWSCA Response: The models reviewed by the NMFS consultant were not designed to be a tool for long-term fishery management for conservation purposes, but were developed and approved by FERC as part of the FERC relicensing study plan for the purpose of evaluating the relative changes to in-river fish populations resulting from possible license conditions.

TRT Response: This statement is short-sighted. BAWSCA is correct that the models "were not designed to be a tool for long-term fishery management for conservation purposes." This is a major problem for the TRVA, which would be considered by the State Water Board, not FERC. The Water Board is legally charged with improving aquatic conditions for beleaguered fisheries, so they must base their decision on a plan that will dramatically improve long-term conditions. FERC went easy on the Irrigation Districts, but the Water Board cannot. We appreciate BAWSCA identifying this major flaw in the TRVA.

It should be noted that the peer review[5] was not just conducted by consultants, but by highly competent scientists working for the well-respected firm, Anchor QEA. Following are some quotes from the peer review:

> The Chinook salmon population model is useful but not usable by all stakeholders; and the *O. mykiss* [rainbow trout and steelhead] population model is neither useful nor usable.

[4] 2006 Lower Tuolumne River Annual Report, Special Run Pool 9 Post-project Monitoring Report – https://static1.squarespace.com/static/5eebc0039b04b54b2fb0ce52/t/6006f76cf77a806cf0f5b270/1611069310182/7+SRP+9+-+Post-Project+Monitorning+Report.pdf

[5] NOAA National Marine Fisheries Service's Technical Review of Salmonid Population Models e-Flied to the FERC Projects' Dockets – https://static1.squarespace.com/static/5eebc0039b04b54b2fb0ce52/t/5ffe1a69cc1c8606a3081719/1610488432168/X-3+NMFS+Peer+Review+of+Fish+Models.pdf

The [Chinook] model is not a full life cycle, which hampers its utility for evaluating potential benefits of management actions to the overall population.

A shortage of habitat quantity, including spawning habitat and gravel availability, is not a limitation on the population at abundance levels that are of concern. Thus, gravel augmentation would not significantly improve population performance.

The Chinook salmon production model cannot identify the number of predators that would need to be removed or how much of a reduction in consumption would be required to achieve a significant increase in smolt-to smolt survival. The response from predator control is assumed, not predicted.

It bears noting that the model, as developed, found water temperatures to be the major environmental factor driving juvenile *O. mykiss* productivity downstream of the dam. Flows released below La Grange Dam are apparently the major factor affecting water temperatures.

The model, as configured, indicates that the status of the Chinook salmon population is extremely precarious and bold actions will be needed to prevent extirpation. This need, according to the model, would best be met by very substantial increases in flow releases during spring (the period of active smolt outmigration from the river).

Concern #5: State and federal funding will be required to implement the TRVA.

BAWSCA Response: The TRVA proposes $83M in capital funding and $44.5 in annual O&M funding that will be paid by partner agencies and does not depend on state or federal grants, loans, taxes or fees.

TRT Response: We have not heard anyone claim that state and federal funding will be required to implement the TRVA, but we will respond just the same.

BAWSCA should cite the source of its figures. The TRVA states, "The Districts and SF will establish a dedicated fund with a commitment to a total funding of $38,000,000 for capital costs and an additional annual increment not to exceed $1,000,000/yr for O&M, monitoring, and reporting associated with completed capital projects."[6]

Concern #6: The TRVA development process lacked sufficient public input.

BAWSCA Response #1: The TRVA is the result of close collaboration and good faith discussions among the three public agency Partners and numerous stakeholders.

BAWSCA Response #2: The stakeholders included federal, state and local agencies, scientists, and environmental stewards, including stakeholders engaged in pre-scoping, scoping, development of technical tools, and the completion and publication of a Final EIS by FERC.

[6] See supra note 1, page A-186.

TRT Response: BAWSCA should distinguish between the development process for the TRVA and the review process. The NGOs did not contribute to the development of the TRVA, but were involved in its review, and were not impressed. Not a single environmental group supports the TRVA.

There were six environmental groups that participated in reviewing the Voluntary Agreements. They did not include the organizations that are most engaged in the Tuolumne River – Tuolumne River Trust, Tuolumne River Conservancy, California Sportfishing Protection Alliance, and Central Sierra Environmental Resource Center.

Highly detailed and technical comments submitted by the Conservation Groups in the FERC licensing process, including responses to the Ready for Environmental Analysis (scoping document), Draft EIS and Final EIS (all available upon request), were mostly ignored by FERC. There is not a single environmental or fishing group that supports FERC's preferred alternative, which is a modified version of the TRVA.

The environmental groups that did participate in reviewing the VAs expressed numerous concerns throughout the process. In a letter to Governor Newsom, the NGOs stated:

> It is critical that you understand the current agreements will not adequately improve conditions in the Bay-Delta estuary and its Central Valley watershed. Furthermore, the ongoing VA process is flawed and not on course to produce an agreement that is legally, scientifically, and biologically adequate to survive environmental review and legal challenge…None of our organizations support the current proposed package of VAs because they do not contain sufficient flow and habitat assets to adequately improve conditions in the Bay-Delta estuary as required under state and federal law. The best available science makes this clear. Moreover, there are major flaws with the VA process itself that, unless addressed, will prevent parties from reaching a successful agreement…Unless these concerns can be addressed without delay, our organizations will be compelled to conclude that these agreements will fail and will leave the VA process.[7]

In a follow-up letter to the Governor, the NGOs wrote:

> However, it has become clear that voluntary agreements that are sufficiently protective of the environment will be extremely difficult to achieve in the near term…Instead, the Water Board must quickly work to implement the water quality protections for the San Joaquin River and its tributaries that it adopted in 2018 and adopt and implement new water quality protections for the Sacramento River, its tributaries, and the Delta.[8]

Eight Recent Comments About BAWSCA and Its Member Agencies' Bay-Delta Efforts and <u>the Facts</u>

<u>1. BAWSCA and SFPUC's demand estimates are flawed and too high.</u>

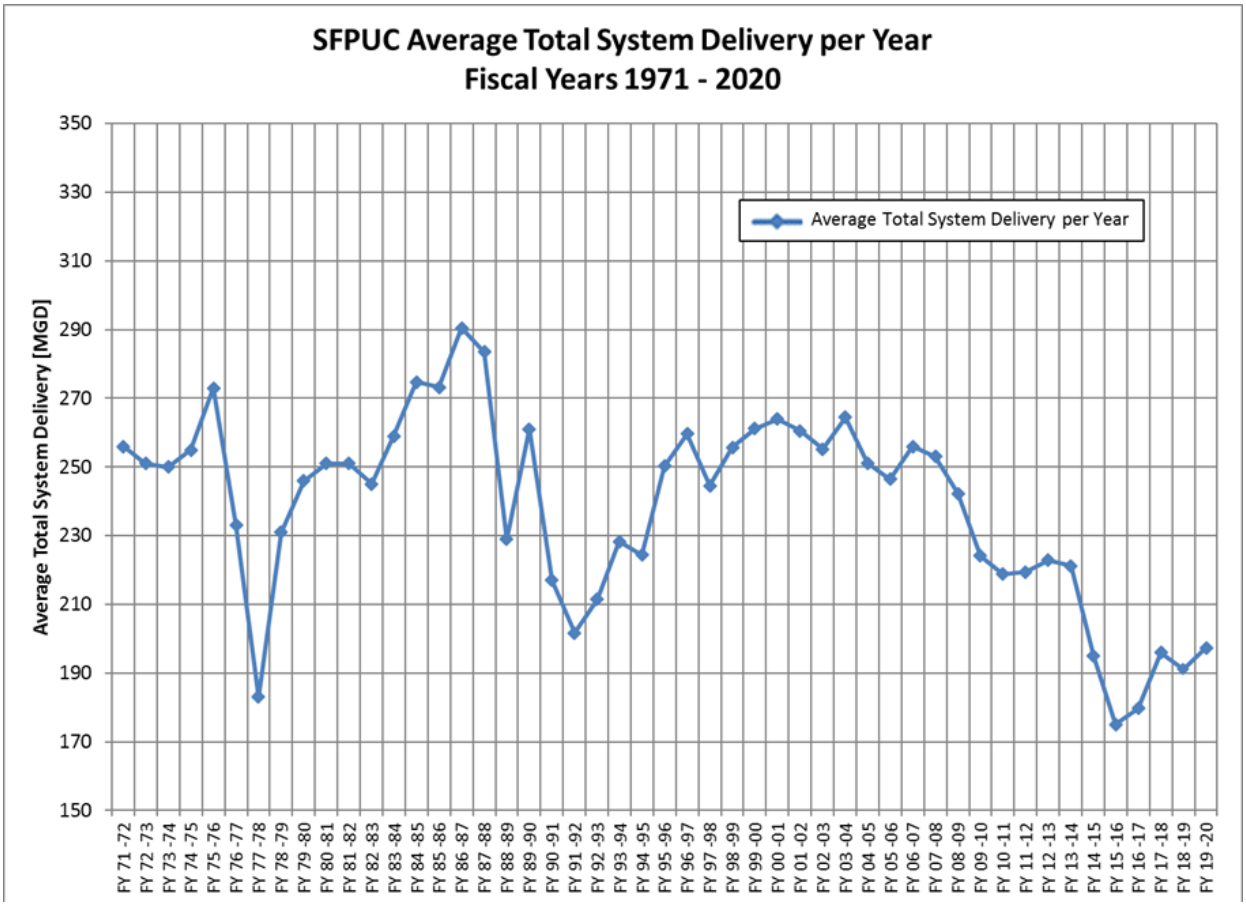
[7] NGO VA participants' letter to Governor Newsom, September 20, 2019 – https://static1.squarespace.com/static/5eebc0039b04b54b2fb0ce52/t/6006f6f43431835a94c46fd9/1611069173250/2+VA-NGO-Letter-to-Gov-Newsom-9-20-19.pdf

[8] NGO VA participants' letter to Governor Newsom, June 23, 2020 – https://static1.squarespace.com/static/5eebc0039b04b54b2fb0ce52/t/6006f6fc6506eb0065a5e541/1611069182093/3+VA+NGO+Letter+to+Gov+re+SWRCB_6.23.2020.pdf

BAWSCA Response: BAWSCA's demand studies are highly detailed, follow best practices, and result in future water demand projections suitable for water supply planning purposes.

TRT Response: BAWSCA's response is incomplete. When it comes to demand projections, BAWSCA and the SFPUC have very poor track records. In the PEIR for the Water System Improvement Program (2007), BAWSCA forecasted the need for 194 mgd by 2018. Actual demand in 2018 was 130.7 mgd[9] -- off by more than 32%.

Systemwide projections (San Francisco and BAWSCA) in 2007 were 285 mgd by 2018. The actual was 196 mgd, a difference of 31%. As demonstrated by the following graph, demand decreased substantially in that time period.

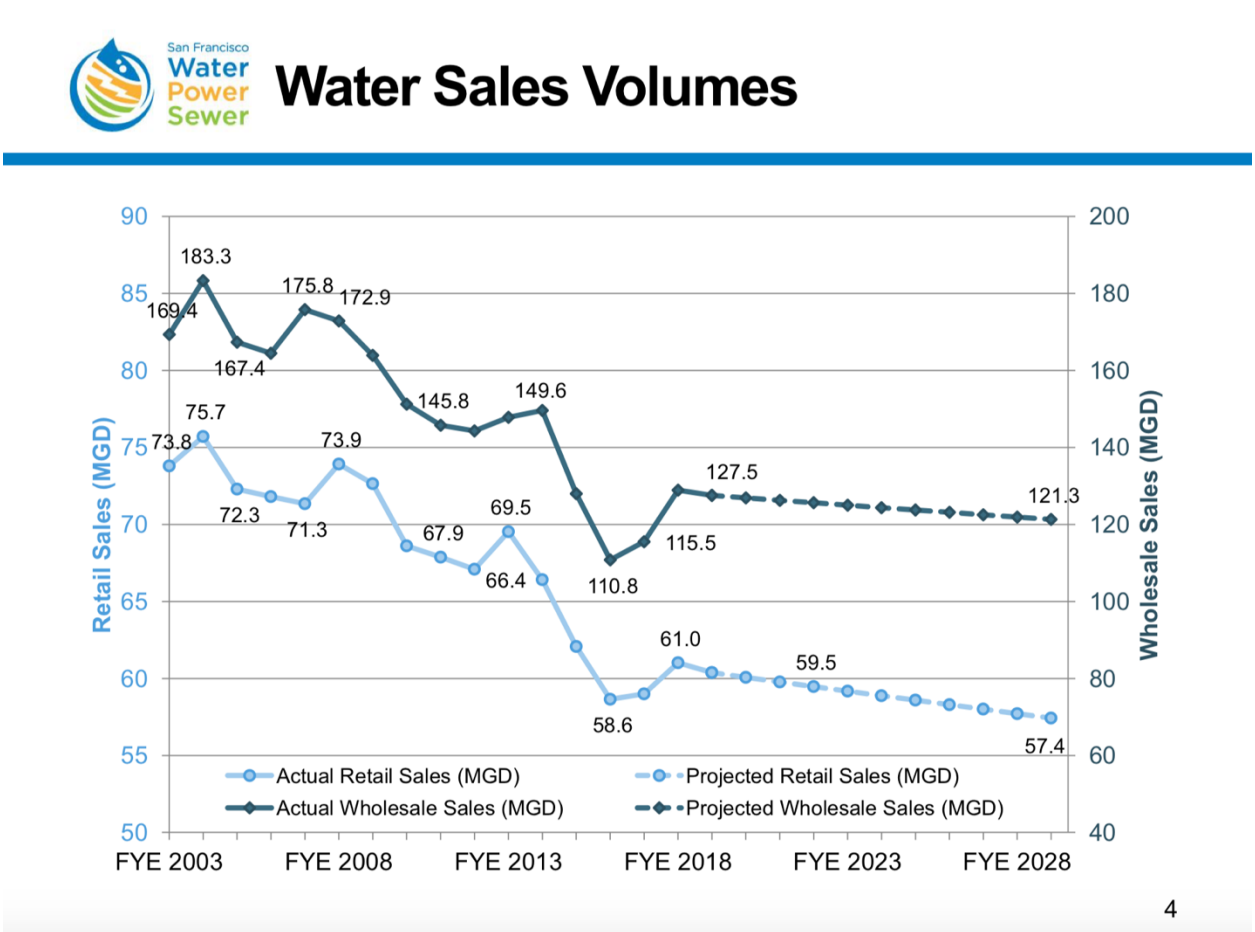


Source: SFPUC

[9] BAWSCA Annual Survey, (FY 2018-19).

Looking forward, the SFPUC's most recent 10-Year Financial Plan states:

> The 10-Year Financial Plan assumes a 0.5% average annual decrease in water and wastewater volumes…The slight downward trend forecast is based on historic water sales data that reflects a downward trend in actual water volumes over the past 20 years.[10]



Source: SFPUC

BAWSCA and the SFPUC are not unique in their water demand over-projections. A recent study by The Pacific Institute found:

> All water suppliers experienced dramatic reductions in per capita demand between 2000 and 2015, ranging from 14 percent to 47 percent. During this period, per capita demand declined by an average of 25 percent across all water suppliers.[11]

[10] SFPUC 10-Year Financial Plan (FY 2020-21 to FY 2029-30) – https://sfwater.org/Modules/ShowDocument.aspx?documentid=15020

[11] *An Assessment of Urban Water Demand Forecasts in California*, August 2020, The Pacific Institute – https://pacinst.org/publication/urban-water-demand-forecasts-california/

BAWSCA's long-term projections have never been realized. As a result, BAWSCA risks over-investing in water supply projects while contributing to further environmental degradation.

2. SFPUC's design drought is too long and overly conservative.

BAWSCA Response: SFPUC's design drought is appropriately based on actual historical conditions coupled with the addition of an acceptable level of caution for what the future may hold, including climate change and the likelihood of more severe droughts and extreme weather.

TRT Response: The "addition of an acceptable level of caution" is quite an understatement. The design drought couples the worst drought on record (1987-92) with the driest 2-year period on record (1976/77). An analysis of tree ring data has shown that there were only a handful of 6-year sequences as dry as 1987-92 over the past 1,100 years.

The SFPUC managed the 1987-92 drought of record despite three challenges that do not exist today. They were:

- Entering the 6-year drought, demand on the Regional Water System was at an all-time high of 293 mgd. Today it is 198 mgd – 32% lower.
- The SFPUC's Cherry Lake reservoir had to be drained in 1989. It holds 273 TAF, and is 75% the size of Hetch Hetchy.
- The SFPUC adopted its "Water First" policy, giving water supply priority over hydropower generation.

While it is prudent to prepare for climate change, the SFPUC and BAWSCA should not just consider potential challenges, but also benefits. For example, climate change is expected to cause earlier runoff as a result of more precipitation falling as rain and earlier melting of the snowpack. An assessment by The Bay Institute found that if the 1987-92 drought were to repeat, but runoff came three weeks earlier, the SFPUC would pick up an additional year's-worth of water. This is because some runoff would shift from the mid-April to mid-June period, when the Irrigation Districts are entitled to the first 4,000 cfs, to before mid-April, when the Irrigation Districts are entitled to the first 2,350 cfs.

Furthermore, climate change will likely lead to poor forest health and an increase in wildfires. While tragic from an environmental perspective, this will likely lead to an increase in runoff (water supply), as less precipitation is taken up by vegetation. For example, 2017 was the second wettest year on record in the Tuolumne watershed, but produced the most runoff by a considerable margin. Recall that the 2013 Rim Fire burned 20% of the Tuolumne watershed.

3. The population projections estimated for the BAWSCA service area are too high, including the projected housing need.

BAWSCA Response: BAWSCA relies on projected population figures from the Association of Bay Area Governments (ABAG) and locally adopted land use plans, both of which are highly detailed, based on sound science and reflect a comprehensive public engagement process.

TRT Response: The jobs and population projections in Plan Bay Area (ABAG) are very controversial. Many Bay Area cites are struggling with these projections, and are pushing back. The consequences of

Covid-19 also are unclear. BAWSCA's recent "Regional Water Demand and Conservation Projections" report acknowledged:

> Water demands are based on data provided from 1995 through 2018. This analysis was completed before the COVID-19 pandemic and does not incorporate any of the new changes in water use profiles, population, employment, or vacancies as the data was not yet available and was outside the scope of the current projects. However, it is recognized that the water demands may need review or modification depending on the impact of recent events.[12]

4. BAWSCA Member Agencies and their Customers can readily reduce water use during droughts as required by the Bay Delta Plan.

BAWSCA Response: While Member Agency customers responded strongly during the 2015 drought, the level of rationing required in the Bay-Delta Plan will reach 50% or greater, creating severe hardships beyond what any resident has experienced.

TRT Response: This statement is spurious. The Bay-Delta Plan does not require rationing. Perhaps BAWSCA meant 50% rationing would be necessary based on SFPUC assumptions. Assuming the latter, we will point out that 50% is an arbitrary number. It is based on the SFPUC planning for: 1) a 8.5-year drought (two years longer than any drought in the past 1,100 years); 2) demand of 265 mgd (22% higher than current demand); 3) the development of no new water supplies; and 4) assumes the State will not relax instream flow requirements nor mandate water transfers from irrigation districts to urban areas.

BAWSCA and SFPUC customers have indeed proven they can conserve water. Since the WSIP was adopted in 2008, water consumption has decreased by 21% in the SFPUC Regional Water System service area, and we are not currently experiencing a water conservation mandate. In both 2016 and 2017, water demand was lower than during the 1976/77 drought, despite population growth.

5. BAWSCA constituents do not support the TRVA.

BAWSCA Response: The business community as well as key community groups, such as the Silicon Valley Leadership Group (SVLG), have expressed support for the TRVA.

TRT Response: BAWSCA is essentially saying that the business community and a leading business advocacy group support the TRVA. So, one must ask why? The answer is two-fold. Businesses have been told by BAWSCA that the Bay Delta Plan would lead to a water crisis and that the TRVA would produce more fish with less water. Neither of these assertions is true, but this is what they're hearing. It's more than understandable they don't want to run out of water.

If BAWSCA were to poll residents in their service area, you would likely find tremendous support for restoration of the Bay-Delta and Tuolumne River. You also would learn that residents are outraged when they learn the water they conserved during the recent drought did not benefit the environment, but instead remained impounded behind dams until it had to be dumped in 2017 to prevent flooding downstream.

[12] BAWSCA's Regional Water Demand and Conservation Projections, Figure ES-2, June 26, 2020.

TRT commissioned such a survey of San Francisco voters in 2018, and while San Francisco is not part of BAWSCA, environmental ethics in the City are very similar to those on the Peninsula. We invite you to review our survey results at https://www.tuolumne.org/recent-news/survey.

6. There will be no economic impact on the Bay Area during a drought if the Bay-Delta Plan is implemented.

BAWSCA Response: An extensive economic analysis was prepared by the SFPUC and relied upon during a recently completed FERC Don Pedro Final EIS review. Results indicate severe economic impacts due to the high level of rationing that would be required.

TRT Response: The SFPUC's socioeconomic study has been refuted by recent real world experience.

In 2016, the General Manager of the SFPUC and CEO of BAWSCA had an OpEd published in the San Francisco Chronicle. It claimed:

> Our initial economic analysis of the first iteration of this plan forecast up to 51 percent rationing, resulting in 140,000 to 188,000 jobs lost in the Bay Area. These same forecasts also show between $37 billion and $49 billion in decreased sales transactions.[13]

It should be noted that the figures cited in the OpEd were from a 2009 study, despite the fact that the same author had updated his projections in 2014. The justification given by the SFPUC and BAWSCA for using the older figures was that the 2009 study had been finalized, but the 2014 update had not.

You'll see from the following chart that potential economic and job losses in the 2014 report were less than half of those in the 2009 report. The 2014 report was finalized in 2018, and the numbers changed very little. Despite the huge discrepancy between the 2009 and 2018 final reports, the SFPUC and BAWSCA never corrected the public record.

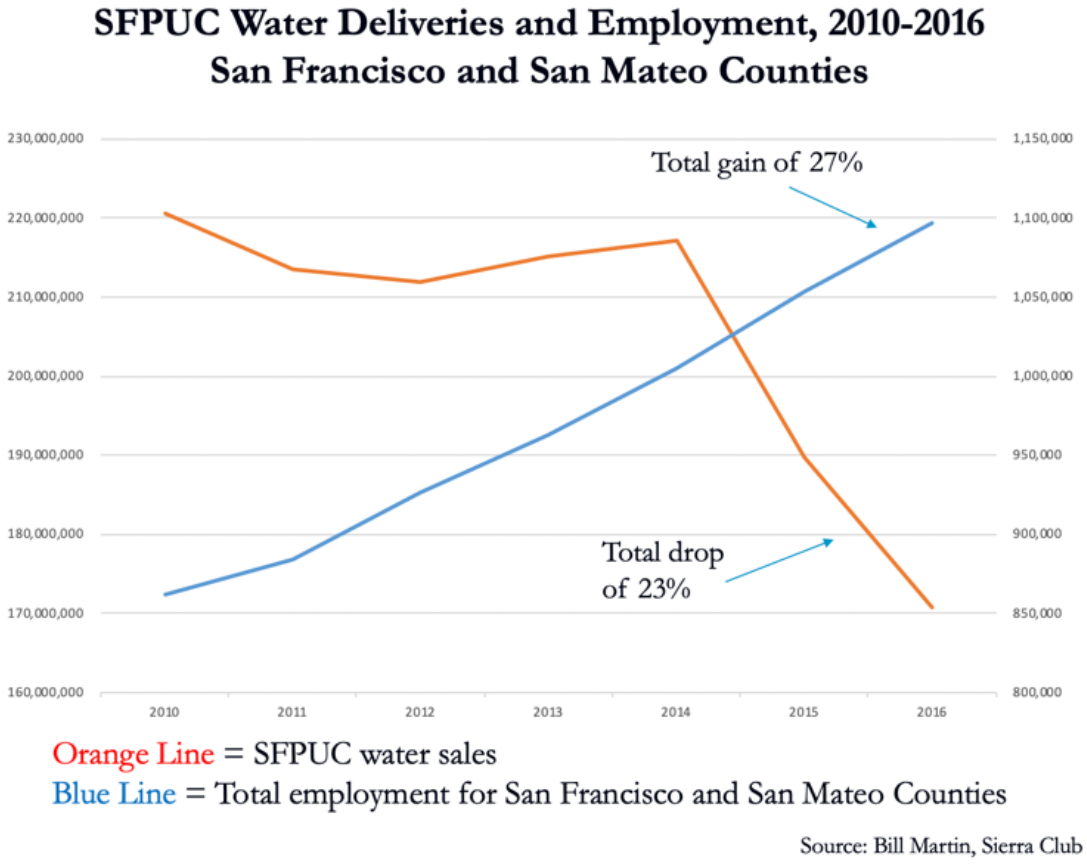
Water Supply Reduction	2009 Report		2014 Report		2016 OpEd		2018 Report	
	Jobs	$	Jobs	$	Jobs	$	Jobs	$
10%	4	2	3	>1	x	x	3	>1
20%	7	3	8	2	x	x	7	2
30%	x	x	25	7	x	x	22	6
40/41%	139	37	54	15	140	37	56	15
50/51%	188	49	71	21	188	49	72	21

Jobs = Projected job losses in thousands.
$ = Projected financial losses in billions of dollars.

[13] *San Francisco to state on water-use cutbacks: How low can we go?,* San Francisco Chronicle, October 7, 2016 – https://www.sfchronicle.com/opinion/article/San-Francisco-to-state-on-water-use-cutbacks-How-9940351.php

Between 2006 and 2016, water demand in the SFPUC service area decreased by 30%, the equivalent of a 30% reduction in water supply. The 2009 study did not look at a 30% reduction in water supply, but the 2018 report forecasted the loss of 22,000 jobs and $6 billion under such a scenario. Based on comparisons of the other scenarios, one would expect the 2009 study to have come up with twice the 2014/2018 impacts.

However, in the real world, BAWSCA and San Francisco did not experience economic and job losses during the drought. In fact, between 2010 and 2016 jobs increased by 27% in San Mateo and San Francisco Counties while water use declined by 23%.



7. BAWSCA staff and BAWSCA Board Members have no understanding of the TRVA or its components.

BAWSCA Response #1: BAWSCA was actively engaged in the TRVA development, its technical review, and is knowledgeable about its scientific basis, content, impacts and implementation.

BAWSCA Response #2: The BAWSCA Board is well informed on the TRVA through briefings by SFPUC and BAWSCA staff.

TRT Response: We will let this letter stand as our response.

8. BAWSCA has not provided opportunities for the public to discuss the Bay Delta Plan and the TRVA in an open forum / workshop.

BAWSCA Response #1: The Bay Delta Plan has been included as a regular item on the BAWSCA Board agendas since 2018, during which time the opportunity for public comment is provided.

TRT Response: We request a real dialogue with the BAWSCA Board. Getting three minutes to comment at BAWSCA meetings, and receiving no response to our comments, is not a dialogue. We feel ignored, and what we share appears to be seen as inconvenient truths by BAWSCA.

BAWSCA Response #2: At the September 19, 2019 BAWSCA Board meeting, the Bay Delta Plan was included as a special report with presentations by the Tuolumne River Trust, SFPUC and BAWSCA.

TRT Response: We appreciated the opportunity to present at the BAWSCA Board meeting. However, once again there was no dialogue. If we recall correctly, there were instructions that our presentation was "information only," and there were not to be any questions or comments. Simply listening to a different set of facts and perspectives is not the same as truly engaging.

We hope to have an opportunity to discuss the facts and perspectives presented in this letter with the BAWSCA Board.

Sincerely,

Peter Drekmeier
Policy Director

Dave Warner
TRT Volunteer

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BAWSCA
Bay Area Water Supply & Conservation Agency

February 1, 2021

Mr. Peter Drekmeier, Policy Director
Mr. Dave Warner, Volunteer
Tuolumne River Trust
57 Post Street, Suite 711
San Francisco, CA 94104
transmitted via email and US mail

Subject: January 20, 2021 Letter to BAWSCA

Dear Mr. Drekmeier and Mr. Warner

I am writing to you at the direction of BAWSCA Board Chair Larsson to acknowledge receipt of your January 20, 2021 letter and the effort you have taken to address specific points presented in a recent presentation made to the BAWSCA Board Policy Committee on the Bay-Delta Plan.

The points made in your letter relate primarily to the science behind the proposed Tuolumne River Voluntary Agreement (TRVA) that has been developed by the water rights holders on the Tuolumne, the SFPUC and the Modesto and Turlock Irrigation Districts (Districts). For this reason, BAWSCA has forwarded your letter to the SFPUC for further response. Given their role in developing the TRVA, it is most appropriate for these agencies to respond to your comments directly.

On February 5, 2021, the SFPUC will host a public workshop in which BAWSCA understands that the SFPUC will present the science supporting the TRVA. Since 2011, as the TRVA was being developed as part of the Don Pedro Relicensing and as part of the Bay Delta proceedings, the BAWSCA Board and staff of our member agencies have had the benefit of regular briefings from the SFPUC on the TRVA and the science supporting it. The upcoming workshop will be an excellent opportunity for the public to have the benefit of that information at this time and in a single session.

I have initiated several meetings with both of you to engage in a more open dialogue about this and other issues. I would hope that we can continue this effort as I believe we share more areas of common ground than currently recognized. For example, like the Trust, BAWSCA and its member agencies recognize the importance of water conservation. Current projections indicate that the BAWSCA agencies will serve 76% more people in 2045 than in 1986 with a 1% decrease in overall water demand. In addition, your letter references the non-flow measures in the TRVA and potential for implementing them to reduce the flows needed in the Tuolumne River at certain times. It seems that the evaluation of the potential benefit to the fishery from the implementation of non-flow measurements is something that would be worth further discussion and possibly an area of agreement. It is BAWSCA's hope that the State Board will conduct that evaluation as soon as possible.

As I write this letter, our State, watershed, and region are getting some much-needed rain and snow. BAWSCA continues to support the objectives of the Bay Delta Plan and remains committed to working with you and other stakeholders to protect water quality in the Bay-Delta for humans, fish and other wildlife.

Regards,

Nicole Sandkulla
CEO/General Manager

cc: Board of Directors
Water Management Representatives
A. Schutte, Hanson Bridgett

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From: stuart greenburg (flugel@dslextreme.com) Sent You a Personal Message
To: bawscaboardofdirectors
Subject: Restore Remote Public Comment at BAWSCA
Date: Wednesday, February 19, 2025 6:33:19 PM

Dear BAWSCA Board of Directors,

Dear Board Members,

The removal of remote participation in BAWSCA Board meetings has reduced the transparency of the agency and has excluded the voices of the elderly, working-class, and caregiving community members from sharing their vital perspectives on the actions BAWSCA takes.

Remote participation became the new normal during the pandemic and remains in place in the majority of California cities. BAWSCA has made great progress by returning livestreams of Board meetings and the Agency must continue by implementing remote public comment services. As BAWSCA considers continuing its anti-environmental lawsuit against the State Water Board and chooses to support environmentally harmful voluntary agreements (VAs), the Board must remain transparent and ensure the voices of marginalized communities are heard at public meetings.

The Board must restore remote participation, including remote public comment. Thank you for recognizing the impact that remote participation has on increasing the accessibility and transparency of BAWSCA.

Sincerely,

Sincerely,

stuart greenburg
25948 Voltaire Pl
Stevenson Ranch, CA 91381
flugel@dslextreme.com
(661) 284-5600

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From:	Dave Warner
To:	Tom Smegal
Subject:	Thank you!
Date:	Wednesday, February 12, 2025 7:55:13 AM
Attachments:	Financial projections put you in a tough spot 2025-02-10.pdf

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Hi Tom,

Thank you for your excellent public comment at yesterday's SFPUC meeting. It was terrific that you mentioned deferring work on the Palo Alto pipeline.

Attached is a letter I sent to the SFPUC commissioners on Monday. While that letter is focused more on San Francisco, BAWSCA is facing similar exposures (and I want to do more analysis to better understand and quantify the exposure).

Apologies that I won't be at today's policy committee meeting.

Best regards,

Dave

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February 10, 2025

Re: Financial Projections Put You in a Tough Spot

Dear Commissioners,

Thank you for your service.

There are a number of concerns with the proposed financial plans. The biggest one is that staff has projected that average bills will now exceed affordability thresholds starting around 2040, a first (see figure 1).[1]

This puts you in a difficult position. If you approve the financial plans with projected bills exceeding affordability targets, what will staff do next year, propose financial plans that exceed affordability thresholds by even more? Where's the limit? When will it stop or when do commissioners say, "no more"?

It is almost as if this set of projections is a test. Is this commission a rubber stamp, so to speak, and approves whatever staff puts in front of it?

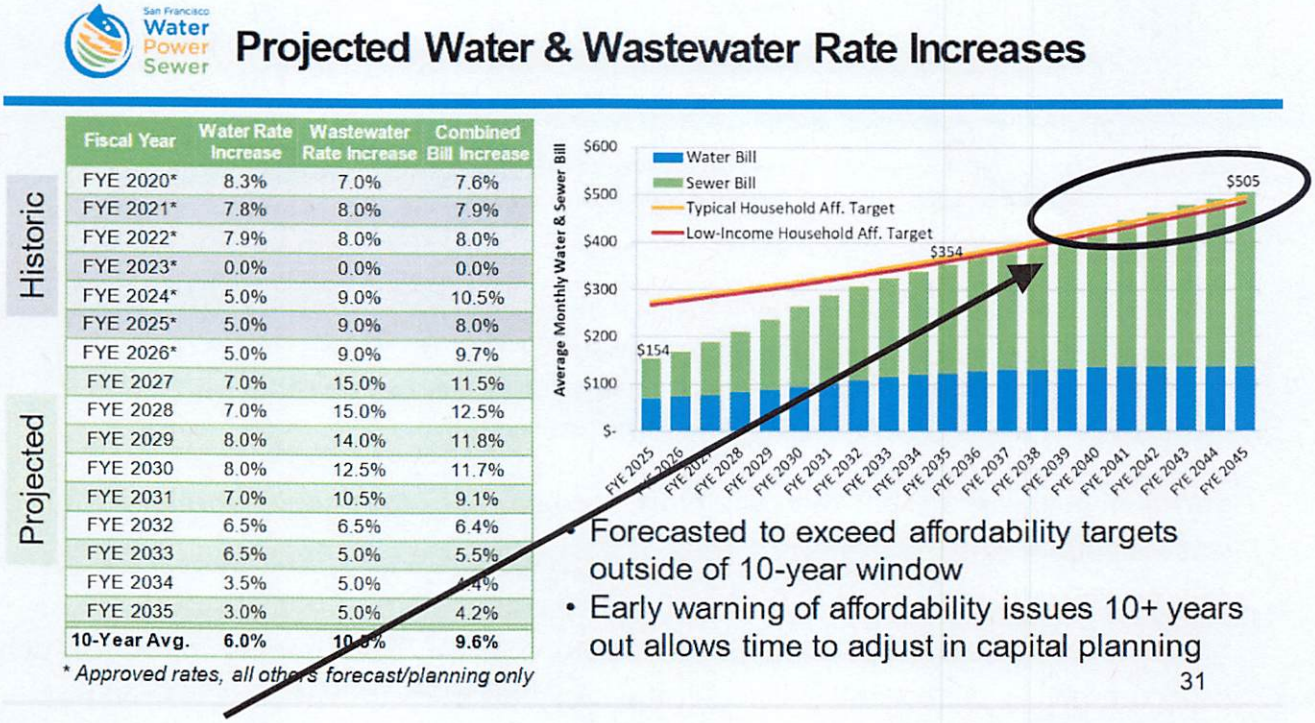


Figure 1: In the added black oval note how combined water and sewer bills exceed affordability thresholds starting around 2040. Also note how substantial rate increases are projected for the next 10 years.

[1] Please see my letter dated January 27, 2025 regarding past affordability and financial projections, copy enclosed.

Lower than projected demand would increase average bills even more

Average bill increases are based on growing water sales. What would average bill increases look like if demand doesn't grow as expected? Staff will say that their average bill projections are not based on demand, but number of accounts. Companion questions would be: What is the assumption for account growth? What would average bills look like if the number of accounts come in below projections? Risk to projections is something to be considered when evaluating financial plans.

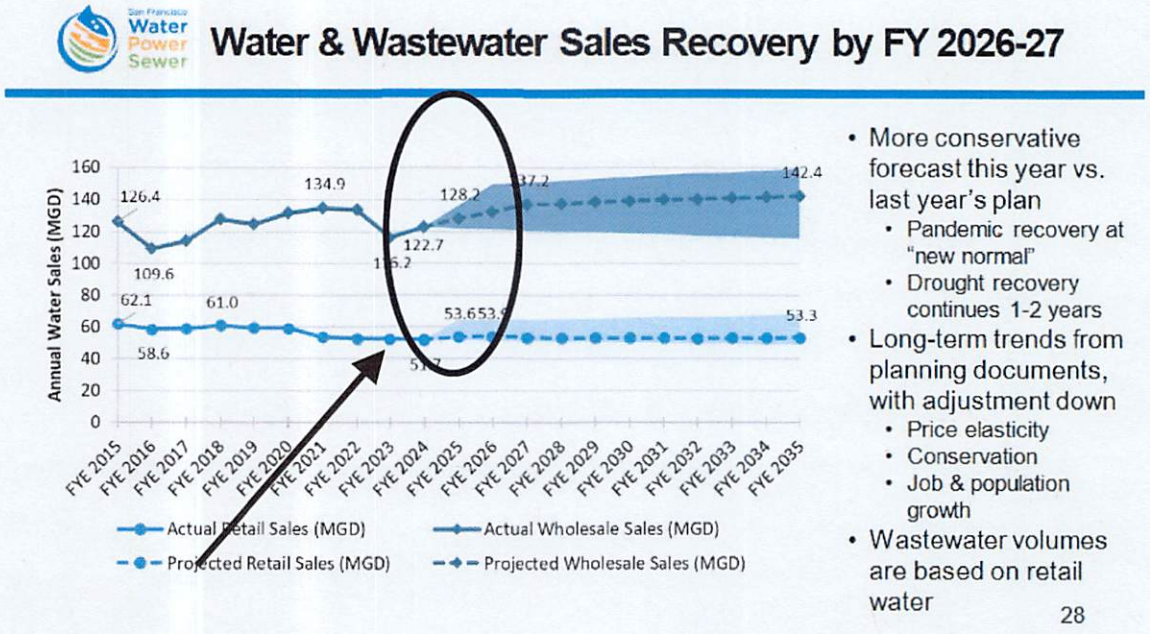


Figure 2: Note that water sales are projected to increase, although by not as much as previously projected. Retail sales are expected to increase from 51.7 mgd last year to 53.7 mgd this year and then slightly decline after that. Wholesale sales are projected to increase from 122.7 mgd last year to 128.2 mgd this year and continue to increase after that.

Staff will likely argue that they will work hard so that affordability thresholds are not exceeded, despite the projection. If their planning process came up with these numbers, they need to be taken at face value. If your constituents see figure 1, telling them that staff is trying to prevent this from happening isn't much of a comforting statement, particularly when staff said similarly last year about working to hold down average bills when they were slightly below the affordability threshold.

Staff hasn't given you a strong defense

To defend such exceptional increases to your constituents, so far the most you can say is that staff said they need to do all the projects they have in their plans on the timeframes they set. For three of you, you don't have the benefit of last year's presentations (even though they weren't as comprehensive as one might have liked).

As a regulatory body, unlike staff, best practices for your role likely include:

- Demonstrating that the commission (you, as opposed to staff) has conducted adequate due diligence in evaluating the financial plans.
- Understanding level of due diligence taken by staff and tradeoffs they made. Just saying that they reduced the capital plan from some higher number isn't much of a demonstration of diligence.
- Understanding numerically the relationships and tradeoffs between capital investment, investment timing, and average bills.

Actions to consider:

1. Ask to review a prioritized list of projects that make up the 10 year capital plan. Ask to understand the criteria used for prioritizing. Review the list and spot check some projects for how they were prioritized. The goal with this item is to assess the adequacy of the level of due diligence taken by staff.
2. Ask for an analysis showing the relationship between capital investment and average bills. How would a $1 billion reduction in capital investment change projected average bills? Ask how deferring $1 billion of projects for 1-2 years affects average bills. The goal with this item is to be able to assess the tradeoff between lower rates and not delaying the lowest priority projects along with assessing the level of staff due diligence. Ultimately is the timing of the lowest priority investments worth the impact they have on average bills?
3. Ask for tangible data to assess risk. What would projected average bills be if demand and account projections came in 5% below forecast. What is staff's track record for bringing in capital projects on plan and how would

variances affect average bills.[2] What will be the impact to average bills if investments in alternative water supplies are needed?[3]

4. Ask for a follow up meeting, ideally a workshop, to further evaluate the proposed financial plans in the context of additional materials that staff provides to you from your requests.

By taking steps like these, you are demonstrating care in making an informed decision on the financial plans. These financial plans are unusual. The decision you are being asked to make is to approve the SFPUC proceeding with a financial plan where its own affordability thresholds will be exceeded.

Hand waving without specific data is a red flag.

As you know, it is difficult for you to tell staff which projects to delay. It is for them to decide. But clearly with the direction costs are going, you need to set boundaries, as apparently the affordability policy wasn't a boundary.

You are not alone. What advice might your counterparts at either the San Diego County Water Authority (SDCWA) or the Metropolitan Water District of Southern California (MWD) give? Likely general advice would be to be prepared for lower demand than you might otherwise expect[4]. Water agencies across California are facing these issues.

Increasing spending in an environment of lower demand is a recipe for a deteriorating financial situation, not to mention a loss of adaptability should unforeseen events occur.

Other items to note:

---

[2] You will recall that the Q4 2024 Water Enterprise Capital Improvement Plan projects report showed current projects being on average 20% over budget.

[3] The AWS plan indicates the regional water system (RWS) provides a firm yield of 152 mgd. Based on the 2035 demand projection of 195.7 mgd from figure 2, 38 mgd of AWS would be needed (5 mgd saved through the rationing model).

[4] Mentioning SDCWA because of the financial challenges they've had due to demand not materializing as planned and MWD for their work on managing rate increases in the face of lower demand.

10 Year Spending Projections Keep Increasing

Despite staff noting that the 10 year capital plan has gone down from last year by a modest 6.5% to $11.1 billion (while the prior year was a 34% increase up from $8.8 billion), spending projections continue to increase (see figure 3). Given the 10 year capital plan not continuing to increase, it is not clear what is driving the expense increases. Consider asking staff the cause of the increased spending in the 10 year financial plan despite the small decline in the 10 year capital plan.

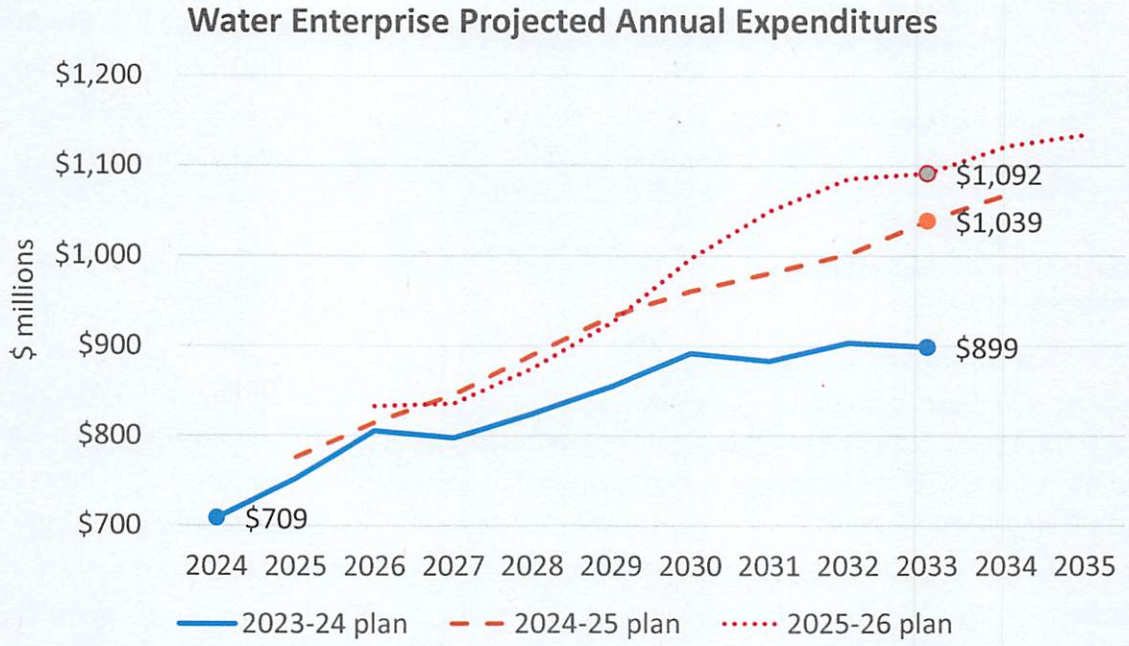


Figure 3: 10 year financial plan spending projections continue to increase. Note that in 2033 the 2023-24 plan projected 2033 spending to be $899 million. 2 years later the 2033 projection is $1,092 million.

What last year's audited financial statements tell us: Flat sales for services and increasing expenses

Water Enterprise Changes in Net Position (~ income statement)
$ millions

Revenues	2023 Actual	2024 Actual	% change
Charges for services	661,241	650,233	-2%
Rents and concessions	13,282	8,566	
Other operating revenues	16,568	18,101	
Interest and investment income	11,156	25,097	125%
Other non-operating revenues	40,679	42,071	
Total revenues	742,926	744,068	
Expenses			
Operating expenses	460,253	529,356	
Interest expenses	214,913	222,055	
Other	(8,196)	(12,065)	
Total expenses	666,970	739,346	11%
Change in net position before capital contributions and transfers	75,956	4,722	-94%
Margin	10%	1%	

Figure 4: A summary of the Water Enterprise Income Statement from FY 2023 to FY 2024 (flat revenues, higher expenses). Note 2023 is on the left and 2024 is on the right (different order than a normal audited financials presentation)

The fiscal year 2024 audited financial statements showed a slight decline in sales for services (water sales) and increasing expenses. Overall revenues increased slightly ($1 million) primarily due to interest income. Expenses increased 11% ($72 million). See figure 4.

The good news is the audit appears to be of high quality. However expenses growing faster than revenues is a concern. It would be worth asking what to make of FY 2024 expense growth.

Comparing last year's financial results to last year's budget

Water Enterprise FY 2024 Comparison to Budget
$ millions

	Actual	Budget	Variance	
Total revenues	744,068	721,300	22,768	3.2%
Total expenses	739,346	708,700	30,646	4.3%
Change in net position	4,722	12,600	(7,878)	

Figure 5: Overall FY 2024 revenues grew more than budgeted, by $23 million. Expenses also grew more than budgeted, by $31 million. Not enough data was available to explain why actual revenues exceeded budgeted revenues, nor why total expenses exceeded budgeted expenses. Normally one would expect expense forecasting one year out to be fairly accurate.

SFPUC staff doesn't provide a comparison of results to budget. However it is useful to see to understand forecast accuracy. The comparison in figure 5 was an attempt to provide a comparison. however it should be provided

by staff. There's not much to be made of this comparison other than the result is slightly negative, expense growth exceeding revenue growth over budget. Normally expenses are relatively easy to forecast compared to the uncertainty and lack of ability to control revenues/sales.

Water & sewer bill comparison incomplete

Staff likes to provide a comparison of average water and sewer bills against other agencies where the SFPUC's charges look reasonable. The data they present is valuable, but incomplete as the amount of water and sewer service purchased is quite different between agencies. If you were to compare the cost of consuming 4.8 ccf between Los Angeles and San Francisco, San Francisco's cost would be more than double that of Los Angeles (see figure 6). Water rates are not a good measure of efficiency, but it is worth keeping in mind that it costs the SFPUC a lot more than the LADWP to deliver a ccf of water and provide sewer service for that water.

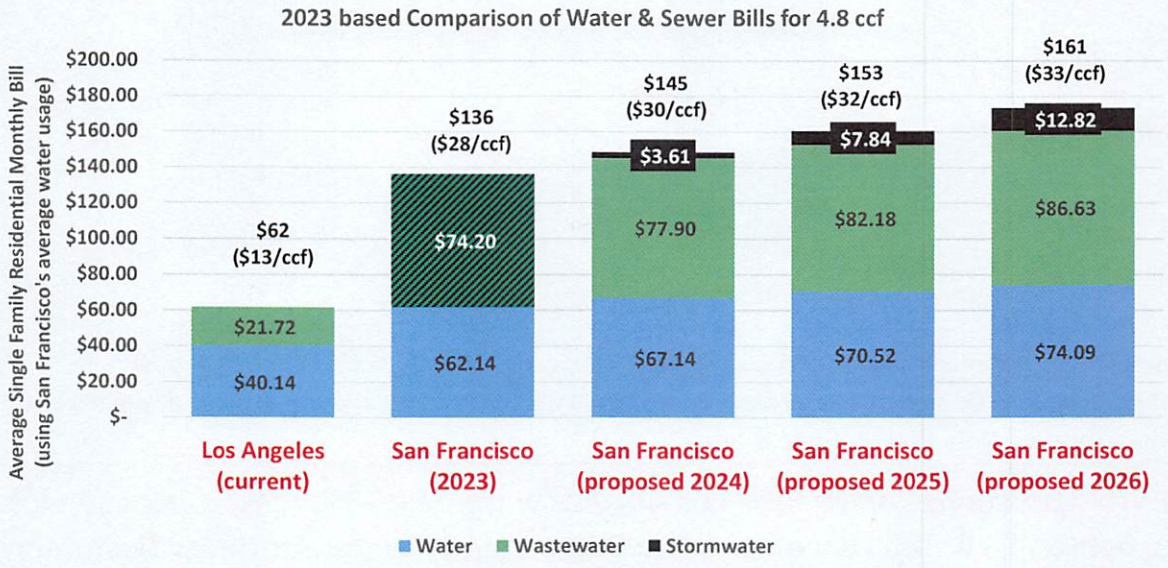


Figure 6: On the basis of a comparable number of ccf, San Francisco's combined water and sewer bills would be more than double those of Los Angeles. Note that this data is from 2023.

A large proportion of the average water bill goes to debt service.

A primary difference between the SFPUC and LADWP's cost to deliver a ccf of water is the use of debt. For water bills alone, 50% of a San Francisco water bill

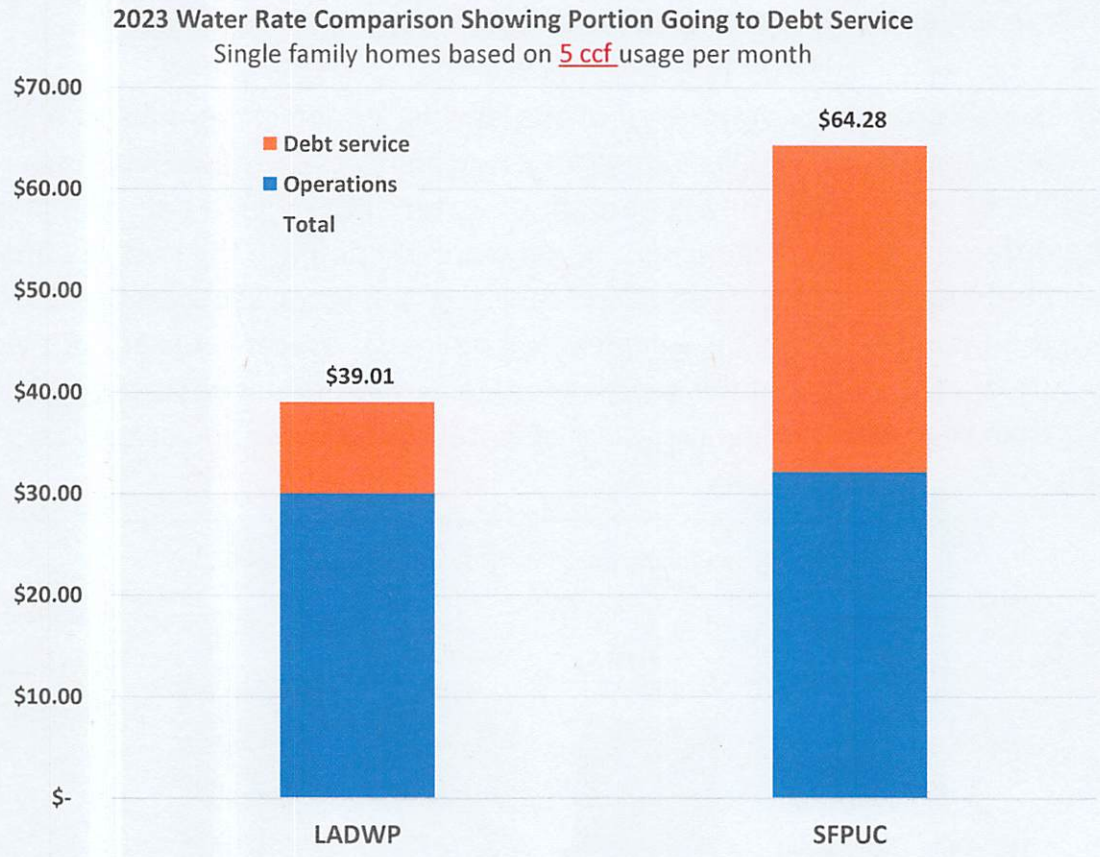


Figure 7: For water bills alone (excludes sewer), the portion of the bill that goes to debt service makes up half of the cost of a San Francisco bill while for Los Angeles about a quarter of the bill goes to debt service. Note that this data is from 2023.

goes to debt service while for a Los Angeles water bill, 23% goes to debt service (see figure 7). For reference, for a San Diego County Water Authority Customer, 23% also goes to debt service. San Francisco's use of debt is exceptional. Just to understand the impact of debt service costs alone it is important to compare the cost of delivering water on a ccf basis in addition to looking at average bills.

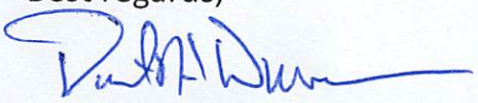
Debt service is a big challenge. The current plan calls for 70% of the 10 year capital plan to be paid for with debt. Adding this debt over the next 10 years and factoring in a 30 year payback, we are locking in high fixed costs for generations.

A question to consider asking is how can we reduce our use of debt. One answer is to slow down capital spending. Another is to lower the proportion of debt used to finance capital projects. This would have a rate impact, which is another area that would be useful to explore. If we reduced our debt financing from 70% to 65%, how would that affect rates over the short and long term?

These are just some of the topics that the proposed financial plans raise. Another topic that unfortunately likely needs study: How do we reduce our operating expenses? Is there an opportunity for a modest downsizing (on a personal note I find this sentence breathtaking/hard to write). Perhaps looking at slowing capital spending is easier than looking at reducing operating expenses.

Hopefully this letter is useful as you consider approval of the proposed financial plans.

Best regards,



Dave Warner

cc: Dennis Herrera, SFPUC General Manager
Steven Ritchie, SFPUC Assistant General Manager, Water Enterprise
Nancy Hom, SFPUC Chief Financial Officer
Laura Busch, SFPUC Deputy Chief Financial Officer
Erin Corvinova, SFPUC Financial Planning Director

Enclosure

January 27, 2025

Re: Address Affordability with the Budget/Financial Plans

Dear Commissioners,

Thank you for your service.

The most significant drivers of retail water and sewer rates/affordability are SFPUC budgets and financial plans. When reviewing the proposed financial plans at the February 11th commission meeting, please pay particular attention to the associated affordability projections. Last year's financial plans were particularly hard on affordability. Action should be considered to bring affordability projections back to past norms (as for example with the 2023/24 projections).

Last year (2024/25 Financial Plans)

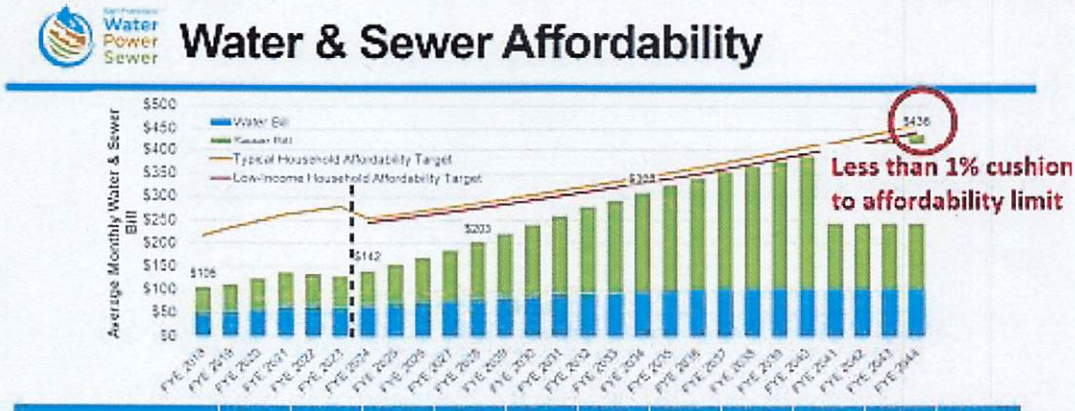


Figure 1: 20 year affordability projections presented as part of the 2024/25 proposed financial projections. Note how the ~40% cushion between projected bills and the affordability target for 2024 decreases to less than 1% by 2044.

Last year's projected combined water and sewer bills climbed so much that the cushion between the affordability threshold shrank to less than 1% by 2044 (figure 1). The increases were driven by an increase in the 10 year capital plan from $8.8 billion to $11.8 billion (a 34% increase in just one year), combined with the required increases in debt service to fund the capital plans.

Projecting a 1% cushion 20 years from now is troubling at best given the challenges of accurately projecting out 20 years. There are a wealth of uncertainties. Will the affordability threshold grow at the rate projected? Will capital projects stay within budget? What happens if sales don't grow as expected or the number of assumed new accounts doesn't materialize? The capital plan didn't include alternative water supply (AWS) investments—what if AWS are needed?

The Prior Year (2023/24)

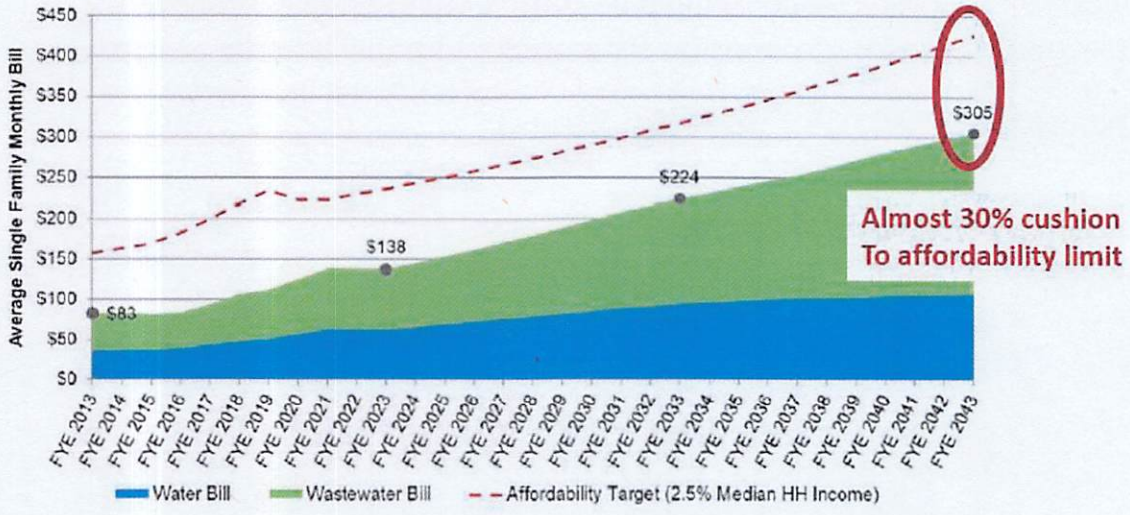


Figure 2: 20 year affordability projections presented as part of the 2023/24 proposed financial projections. Note how the distance between the combined water and sewer bills and the affordability threshold stays relatively constant (roughly a 30% cushion in 2043).

The 2023/24 affordability projections were more reasonable (figure 2). A significant cushion was maintained between the combined bills and the affordability threshold, allowing for a better chance of bills remaining affordable in the context of results diverging from projections.[1]

[1] It should be noted that the SFPUC improved its affordability metrics between FY 2023/24 and 2024/25. However, the change in metrics had little impact on the size of the cushion in either 2043 or 2044.

Other uncertainties:
Lower than Projected Demand, Population, New Accounts, Household Size, to name a few

Lower than projected demand means that the SFPUC would need to raise rates to offset lower sales. For those consumers that reduce their demand in proportion to rate increases, their water bills wouldn't change. Otherwise their bills increase. It should be studied whether or not lower income households can reduce demand as easily as more affluent households.

The SFPUC models the number of new accounts added over time as an important component of projecting average bills. Should the number of new accounts not grow as expected, perhaps due to lower than assumed population increases, water bills would need to be higher (figure 3).

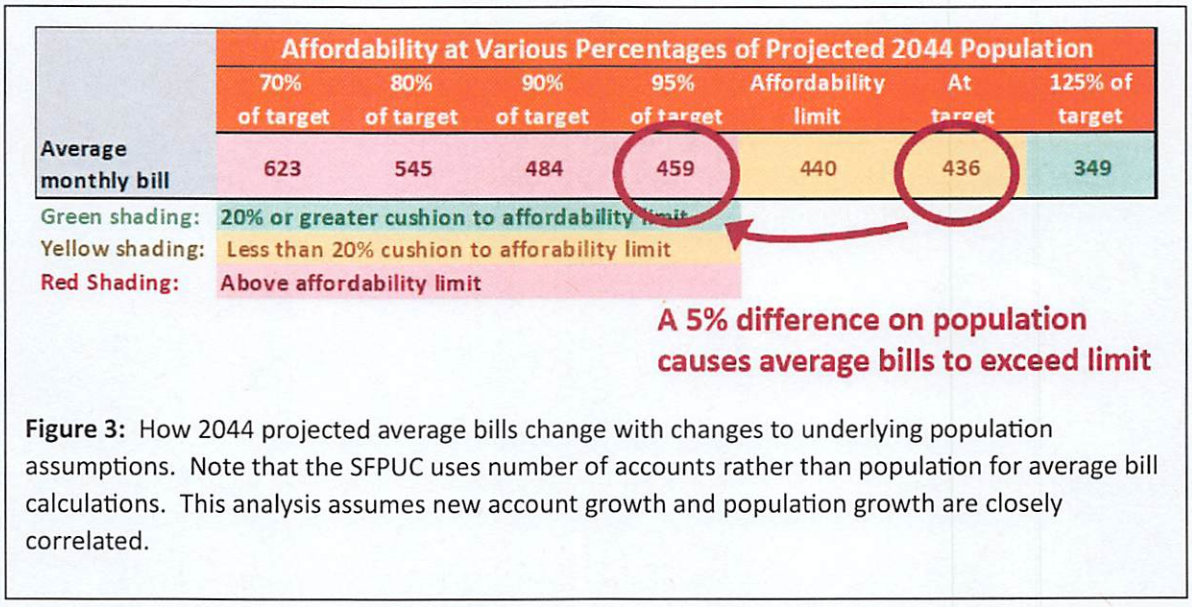


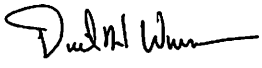
Figure 3: How 2044 projected average bills change with changes to underlying population assumptions. Note that the SFPUC uses number of accounts rather than population for average bill calculations. This analysis assumes new account growth and population growth are closely correlated.

Should household size decrease, perhaps due to individuals moving into newly built units, then the bills are borne by a smaller number individuals in the unit, which in turn can affect household income, which would affect affordability.

Consider Setting an Affordability Cushion Policy

It was disappointing to see the SFPUC provide a projection where there was no meaningful cushion between average bills and affordability targets 20 years in the future. Please consider establishing a policy where the SFPUC targets a long-term affordability cushion in the range of 20-30%, where projected average bills stay 20-30% below affordability thresholds. Short term exceptions are fine, but certainly on a 20 year horizon a significant affordability cushion should be maintained.

Kind regards,



Dave Warner

cc: Dennis Herrera, SFPUC General Manager
Steven Ritchie, SFPUC Assistant General Manager, Water Enterprise
Nancy Hom, SFPUC Chief Financial Officer
Laura Busch, SFPUC Deputy Chief Financial Officer
Erin Corvinova, SFPUC Financial Planning Director

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Tuolumne River Trust

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February 10, 2025

President Kate Stacy and Commissioners
SFPUC
Via email – commission@sfwater.org

Re: Item 13: 10-Year Financial Plan.

Dear President Stacy and Commissioners:

First of all, I'd like to commend SFPUC staff for what I see as a comprehensive and honest financial plan. The information provided will help the Commission make wiser decisions moving forward.

There should be concern about some of the information presented. Of note is the fact that combined water and sewer rates for San Francisco customers are now projected to be 1.5% higher than in last year's Plan. Combined bills are currently expected to increase by an average of 9.6% annually, compared to 8.1% in last year's plan. As a result, rates are now expected to exceed the affordability target by 2040.

Following is a table comparing last year's projections with this year's.

Comparison of projected combined SF water and wastewater rate increases (percentage) between 10-Year Financial Plans for FY 2025-34 and FY 2026-35.

Plan	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Avg.
2025-34	8.8	9.6	9.6	9.1	9.4	8.6	7.7	7.4	4.9	5.6	--	8.1
2026-35	--	9.7	11.5	12.5	11.8	11.7	9.1	6.4	5.5	4.4	4.2	9.6

It would be helpful to have staff explain this large rate increase.

Projected rates are based on Finance Bureau sales projections, which are down 1.3 mgd (10-years-out) since last year. I encourage you to revisit the SFPUC report from July 5, 2022[1] that compares demand/sales projections from the Finance Bureau and Water Enterprise (used for the Urban Water Management Plan and Alternative Water Supply Plan). Both departments have historically over-projected, with Water Enterprise over-projecting significantly.

[1] See "Water Enterprise and Finance Bureau Water Demand Projections, July 5, 2022 – https://sfpuc.sharefile.com/share/view/sa628ebe9c31e4326b84ffa2976f9f9a3

Given that water sales have always ended up below projections, it is important for staff to model how lower-than-projected sales would impact future rates. Please ask for such modeling.

There is clearly limited flexibility in the SFPUC budget to invest in expensive alternative water supplies (AWS). Fortunately, it's very likely – almost certain – that the SFPUC will only have to invest in a fraction of what the AWS Plan suggests might be needed. The AWS Plan is based on Water Enterprise demand projections, which have been off by an average of 22% over the past 25 years.

Please direct staff to determine how much AWS might be needed if the SFPUC were to consider Finance Bureau sales projections. This would provide a range in the amount of investment that might be needed, and would help plan more prudently.

Thank you for considering these comments and suggestions.

Sincerely,

Peter Drekmeier
Policy Director
peter@tuolumne.org

Cc: BAWSCA Board of Directors
SFPUC Citizens' Advisory Committee
Palo Alto Utilities Advisory Commission

Three wet winters in a row for the first time in 25 years? Sierra Nevada snowpack 85% of normal, with more storms forecast

Summer water supplies are looking healthy across Bay Area with no restrictions expected, experts say

Mercury News | March 3, 2025 | Paul Rogers

California Department of Water Resources staff Angelique Fabbiani-Leon, State Hydrometeorologist, Jordan Thoennes, Water Resources Engineer, and Andy Reising, Snow Surveys and Water Supply Forecasting Unit Manager, conduct a snow survey on Friday Feb. 28, 2025 at Phillips Station off Highway 50 in El Dorado County. (Photo: Xavier Mascareñas / California Department of Water Resources)

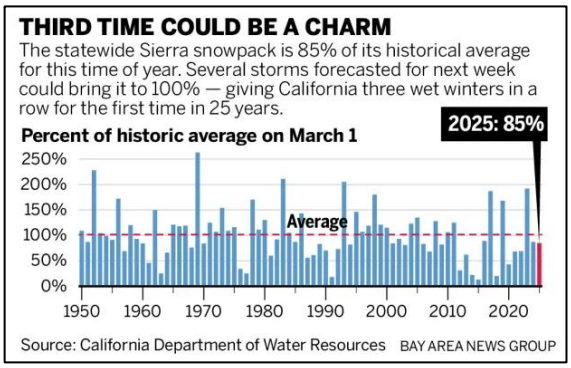
It's been a hydrological roller coaster ride this winter — big storms followed by weeks of dry weather. But the water outlook across Northern California remains healthy for the summer, experts said Friday, with reservoirs brimming and summer water restrictions for Bay Area residents unlikely for the third year in a row.

The statewide Sierra Nevada snowpack, which provides nearly one-third of California's water supply, was at 85% of its historical average Friday.

Historical snowpack forMarch 1That's up from 69% a month ago. And more storms are forecast for the next 10 days.

"We have gained over the month of February," said Andy Reising, manager of the Snow Surveys and Water Supply Forecasting Unit at the state Department of Water Resources. "That's good news. We had a bunch of good storms. They didn't accumulate as much as we had hoped, but nonetheless we'll take what we can get."

The Sierra Nevada acts as a giant frozen reservoir in winter, piling up snow over hundreds of miles, which then melts during spring and summer months, flowing down rivers and filling reservoirs with water for cities and farms. In winters when snow levels are below average, there is less runoff, which can lead to water shortages after several dry years in a row.



California has struggled with three severe droughts over the past generation: From 2007-2009, then 2012-2016, and most recently from 2020-2022.

But the past two winters have seen above-average rain and snow levels. If the Sierra snowpack grows to 100% or more of its historic average by April 1, it will mark the first time in 25 years with three average or above-average years in a row. The last consecutive trio of wet winters came in 1998, 1999 and 2000.

“So much of the past has been spent worrying about the drought,” said Andrew Schwartz, lead scientist at the UC Berkeley Central Sierra Snow Laboratory, near Donner Summit. “But now we are in a situation that comes across maybe once every 25 years or so. It’s something to be celebrated for sure.”

Water agencies in the Bay Area are similarly upbeat.

“Things look great,” said Matt Keller, a spokesman for the Santa Clara Valley Water District, which provides water to 2 million people in Santa Clara County.

“We know that drought years will be coming back, and we have to be prepared for that,” he said. “But right now, reservoirs around the state are looking good, and our groundwater supplies are looking good, too.”

Keller noted that the San Jose district’s nine reservoirs on Friday were at 114% of their historical average, not counting Anderson Reservoir, near Morgan Hill, which is nearly empty for earthquake upgrades. Groundwater levels in Santa Clara County are at historically healthy levels after being recharged the past three winters.

“There are no talks of water restrictions this summer,” he said. “Our water supply looks healthy right now.”

Similarly, in the East Bay, the seven reservoirs owned by the East Bay Municipal Utility District were 81% full Friday.

Across the state, three years of productive winters have left nearly every major reservoir above its historic average. That’s despite the fact that during big storms in mid-February, reservoir operators

increased releases of water significantly from some of the largest, such as Shasta and Oroville, to create room to catch more runoff and reduce the risk of flooding downstream.

On Friday, Shasta Lake, the state's largest reservoir, near Redding, was 78% full and rising. The second-largest — Oroville, in Butte County — was 84% full. San Luis Reservoir, east of Gilroy, was 82% full. To the south, Diamond Valley, a major off-stream reservoir in Riverside County that is key to water supplies in Los Angeles and surrounding cities, was 98% full.

Storms haven't hit the state evenly. On Friday, the snowpack in the Northern Sierra was 104% of average, and in the Central Sierra it was 80%. But in the Southern Sierra, it was only 70%.

Rainfall totals this winter have been even more lopsided. The farther north that communities are located, the more rain they have received. Since Oct. 1, Santa Rosa rainfall totals have hit 147% of average. San Francisco is at 103%, and San Jose is at 73%. But Los Angeles rainfall is at just 52% of normal.

As a result, Southern California counties from Santa Barbara to San Diego have been categorized in recent weeks as entering various levels of drought by the U.S. Drought Monitor, a weekly report put out by the federal government.

None of the nine Bay Area counties, however, or any part of California from Modesto to the Oregon border is listed as currently experiencing drought conditions.

Several new storms are on the horizon. Light rain is forecast for early Sunday morning across the Bay Area, with up to 1 foot of new snow expected in the Sierra by Monday.

The National Weather Service issued a winter weather advisory from 10 p.m. Saturday to 1 p.m. Sunday, forecasting snow above 4,500 feet across the Sierra.

Computer models show more rain likely Wednesday, with the possibility of at least one atmospheric river storm on March 8 and 9, which has the potential to bring heavy snow. But it's still early.

Schwartz said there is currently 6 feet of snow on the ground outside his mountain lab 12 miles northwest of Lake Tahoe.

"It's looking like more of a persistent storm pattern might be opening up in about 10 days," he said. "It could still change. But that's fairly promising. If that happens, the snow pack might hit 100% of average by April 1."

# # #

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How February's Atmospheric Rivers Affected California's Water Supply
Public Policy Institute of California | February 24, 2025 | Jeffrey Mount & Greg Gartrell

After a bone-dry January, California experienced four atmospheric rivers in the first two weeks of February. This was a welcome development—January is typically the state's wettest month and crucial for water supply, and the lack of rain and snow was deeply concerning to many across the state.

California relies heavily on atmospheric rivers to build snowpack, fill reservoirs, and recharge groundwater. This water feeds into one of the world's most elaborate conveyance systems, which moves water hundreds of miles to cities and farms throughout the Central Valley, the Bay Area, and Southern California.

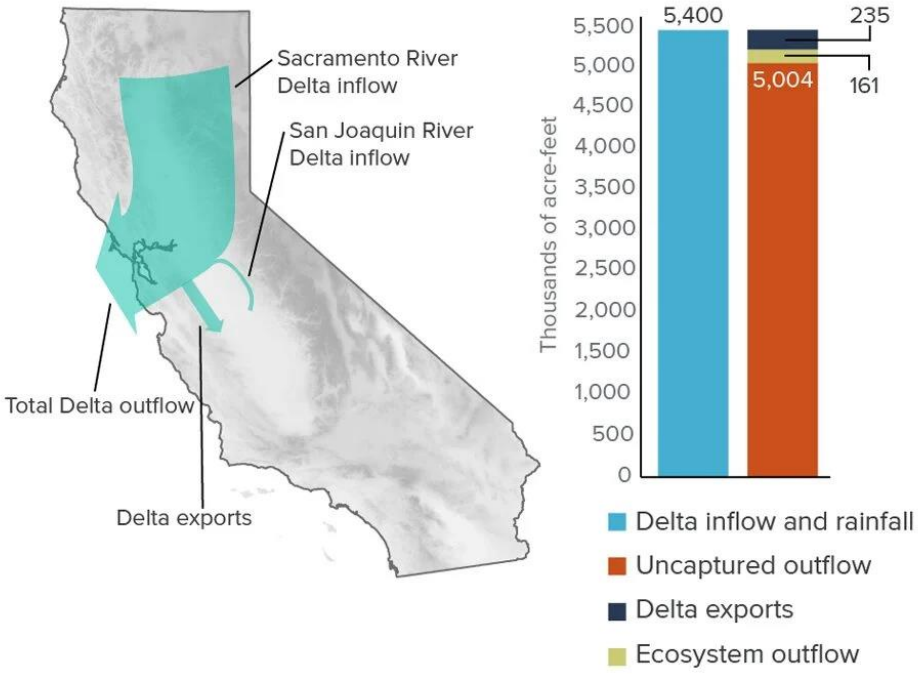
But even during this recent period of abundance, there are constraints on how much can be stored or moved around. Addressing these bottlenecks in the system to take better advantage of wet periods will be essential to cope with a changing climate. But it will not be easy, and all approaches are likely to involve costly and controversial trade-offs.

The February storms illustrate some of the challenges the state faces.

Most of early February's precipitation fell north of Sacramento, with runoff flowing into reservoirs that were at or above their historic averages thanks to two preceding wet years.

Large reservoirs in the Central Valley are operated to meet water supply and flood control objectives. Rather than storing all the water they can, during the winter reservoir operators are required to maintain enough space in their reservoirs to capture high inflows and reduce the risk of flooding downstream.

The vast majority of Sacramento-San Joaquin Delta inflow from February 1–18, 2025 was uncaptured



SOURCE: United States Bureau of Reclamation Central Valley Operations Delta Outflow Computation, accessed February 19, 2025.
NOTES: Sacramento River Delta inflow includes Sacramento River, Yolo Bypass, and eastside streams inflow sources, as well as net Delta consumptive use (includes rainfall) in the Delta. Delta exports includes State Water Project pumping from Clifton Court and Central Valley Project pumping from Tracy. Total Delta outflow includes both uncaptured and ecosystem outflow. Ecosystem outflow is the water required to meet export limiting regulations that protect the ecosystem and endangered species. Remaining Delta inflow that exceeds the sum of Delta exports and ecosystem outflow is termed uncaptured outflow.
FROM: PPIC Blog, February 2025.

When the February storms arrived, the surge of water into the state's two largest reservoirs—Shasta and Oroville—quickly filled the flood reserve space. Because the winter flood season is far from over, dam operators had no choice but to let the water go to make space for possible future floods.

And they let go a lot of water. Between February 1 and 18, those two reservoirs alone released more than 2 million acre-feet of water into the Sacramento and Feather Rivers to maintain space for future stormwater. That is a year's supply for six million homes or 700,000 acres of farmland.

These reservoir releases, along with runoff throughout the Sacramento and San Joaquin watersheds, made their way into the Sacramento–San Joaquin Delta, where there is another bottleneck.

In general, water that flows into the Delta goes to three places: farms in the Delta use it; large pumping plants run by the federal Central Valley Project (CVP) and State Water Project (SWP) send it south; or it flows into San Francisco Bay.

The large CVP and SWP pumping plants and their canals have a finite capacity for pumping water from the Delta (roughly 28,000 acre-feet per day). But they rarely pump at full capacity. Maintenance, declining canal capacity, and regulations that maintain water levels near the pumps and protect endangered fish all limit the amount and timing of pumping. And a large amount of water must flow into San Francisco Bay to keep the Delta water fresh enough for use by Delta farms and exporters (see our 2022 policy brief to learn more).

During wet periods like those in early February, salinity and habitat issues are not a major concern because so much freshwater is flowing through the Delta. However, restrictions on pumping rates to protect fish can impact the ability of the projects to export water. Because the projects are located in the southern part of the Delta, the inflow from the San Joaquin River typically dictates how much water can be pumped at this time of the year. Since the storms went mostly to the north, leading to high flows on the Sacramento River, inflows from the San Joaquin were very low, hampering the capacity of the projects to export water.

To illustrate, during February 1–18, more than 5.4 million acre-feet of water flowed into the Delta. Delta farms—which are mostly idle at this time of year–used little of this water. The federal and state projects were able to export 234,000 acre-feet, or roughly 4% of inflow to the Delta.

Regulations to protect fish reduced pumping by roughly 160,000 acre-feet. That unpumped water remained in the Delta and flowed out with the more than 5.1 million acre-feet of uncapturable outflow into San Francisco Bay.

Finally, once water is exported from the Delta, there is a third bottleneck in the system. As our 2022 report described, in wet years the state and federal projects run out of places to store water south of the Delta. When this happens, the projects must reduce their exports from the Delta. Most of the water pumped from the Delta this time of year goes into San Luis Reservoir, an off-channel reservoir south of the Delta that is shared by the projects. The reservoir will likely fill this winter, hampering efforts to store water.

What does this mean? This very wet early February did not result in large quantities of new stored water. Reservoir operations for flood control, the limited capacity of the federal and state projects, and regulations to protect fish limited storage to about 4% of the runoff. Later this winter, south-of-Delta storage may also become a limiting factor.

Our 2023 policy priorities report highlighted the need to do a much better job of managing wet years to adapt to increasing drought intensity. To their credit, the state and its regional partners are working hard on this, increasing groundwater recharge programs, using forecasts to better operate reservoirs, and planning infrastructure investments to improve storage (we estimate that two of these infrastructure projects—Sites Reservoir and the Delta Conveyance Project—would have more than doubled the amount of water stored, but that is still a small percentage of the 5.1 million acre-feet of uncaptured water). But the early February storms remind all of us that there is a lot of hard, expensive, and sometimes controversial work ahead if the state is going to successfully adapt to changing conditions.

# # #

Water officials knew that opening dams to meet Trump's wishes was ill-advised. Here's why it happened anyway
LA Times | March 13, 2025 | Ian James

Water pours from Schafer Dam at Success Lake after storms in 2023. (Robert Gauthier / Los Angeles Times)

- A newly released government memo sheds light on how the Army Corps of Engineers responded to President Trump's order directing federal agencies to "maximize" water deliveries in California.
- It details how Army Corps officials abruptly decided to release water from two California dams, and the many concerns raised by local water managers and lawmakers.

When President Trump called for the federal government to "maximize" water deliveries in California, commanders of the Army Corps of Engineers quickly found two dams where they could carry out that order. And even though the officials knew the water couldn't be moved out of the Central Vally as Trump wished, they released billions of gallons anyway, according to a newly released government document.

The Feb. 3 memo by Col. Chad Caldwell, the corps' regional commander, provides the most detailed account to date of how the agency responded to Trump's order directing federal agencies to increase water deliveries in California. The document recounts how corps officials suddenly decided to dump water from the dams in January, and how they encountered

questions and opposition from local water managers and lawmakers, who were concerned that letting out water didn't make sense and that the high flows posed risks of flooding.

"It was cavalier and an extremely high-risk decision, and wasteful," said Ann Willis, California regional director of American Rivers, a nonprofit environmental organization.

Willis, who worked for the corps in 2007 and 2008, said there was no reason to dump water that farmers and cities were depending on, and that releasing water unexpectedly like this could have unleashed flooding and put people at risk.

"To intentionally create a situation where that could have been the outcome, it's depraved and mind-blowing," Willis said.

Indeed, many California water officials and experts agreed that the plan had the potential to be ruinous. Local water managers pushed back when they learned of the plan by corps officials to release water from the dams, telling the agency that the water wasn't needed this time of year and that the abrupt surge of water could do damage.

In response to the concerns, the memo says, federal officials scaled back their initial plan and released significantly less water than they had originally intended.

The plan took shape five days after Trump issued his order. The corps on Jan. 29 "was tasked to review existing authorities and water levels within our area of responsibility," wrote Caldwell, who leads the agency's Sacramento District

The goal: Trump had said he intended to increase the flow of water to the Los Angeles area after the devastating wildfires. But that idea clashed with inconvenient realities. L.A. water managers said they already had ample water on hand for firefighting. And federal officials charged with carrying out the president's order knew that the state — not the federal government — controls the aqueducts and pump stations that deliver water to Southern California's cities.

In his memo, Caldwell said the staff at the corps' regional office noted that the water held in two San Joaquin Valley reservoirs, Success Lake and Lake Kaweah, was available but "could not be delivered to Southern California directly."

Moving water to Southern California's cities, he wrote, would require coordination with the state Department of Water Resources to pump water through a rarely used connection to the aqueducts of the State Water Project, and "otherwise the water would remain in the Tulare Lake Basin" — where farmers typically rely on water stored in the reservoirs to supply crops during the summer.

Map shows locations of lakes Kaweah and Success in the Tulare Lake Basin, south of Fresno and north of Bakersfield

Caldwell said in the memo that he “has authority to release water” based on flood control procedures. And on Jan. 30, “in conversation with” Lt. Gen. William “Butch” Graham, Jr., the corps’ commanding general, and Col. James Handura, commander of the South Pacific Division, Caldwell said he was “tasked to release” water from the two dams.

The memo was obtained by The Times in response to a request under the Freedom of Information Act. It was first reported by the Washington Post.

Army Corps officials have not publicly responded to those criticisms, and declined to comment on the details in the memo. The document is titled Memorandum for Record, which under Army regulations is to “show the authority or basis for an action taken.”

According to the memo, after the plan was decided, Caldwell began to inform managers of other agencies about the plans to release water. About 3:30 p.m. on Jan. 30, he called two other key water managers, California Department of Water Resources Director Karla Nemeth and Karl Stock, the Federal Bureau of Reclamation’s regional director, both of whom “indicated that it would take more time for them to activate their systems and they likely could not utilize the additional water with such short notice.”

The corps team also contacted local “water masters,” including managers of agricultural irrigation districts that use water from the dams. Based on concerns raised by one of those officials, the memo says, the corps “significantly reduced the initial estimated outflows.”

The area’s water managers, who were caught off-guard by the decision, have said they convinced federal officials to let out less water than originally planned.

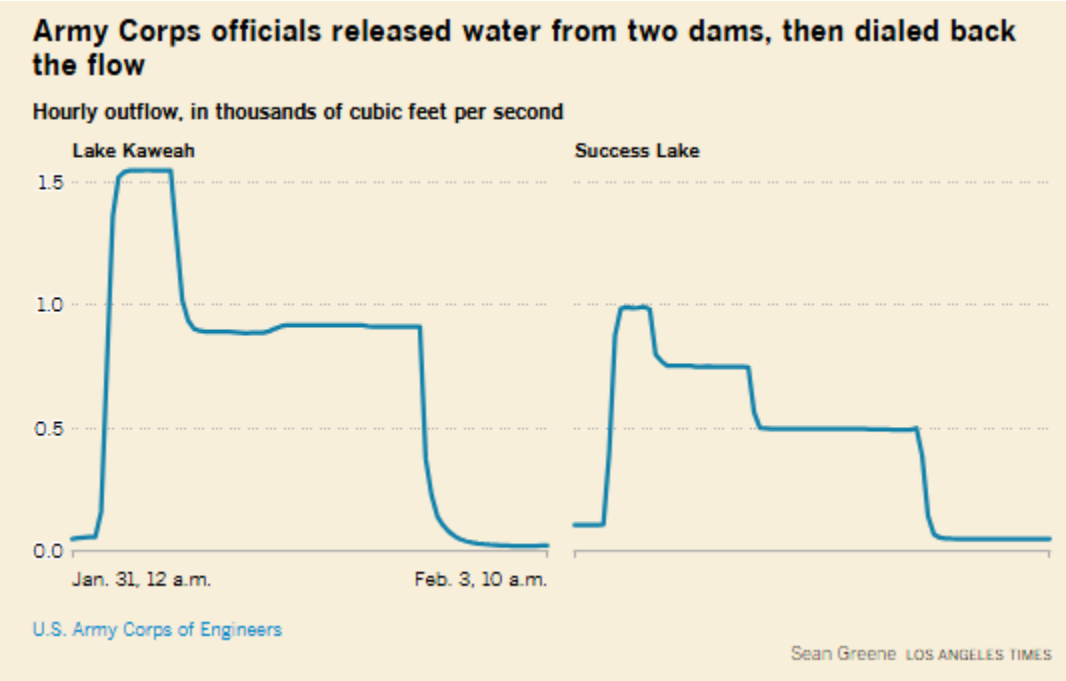
Members of Congress and state lawmakers who represent farming areas near the dams also got involved.

According to the memo, several lawmakers contacted the corps “to ask why the water was being released as it was typical to reserve as much water as possible for the summer growing season.” They included Reps. Vince Fong (R-Bakersfield), David Valadao (R-Hanford) and Jim Costa (D-Fresno), as well as state Assemblymember Alexandra M. Macedo (R-Tulare). Caldwell noted in the memo that the legislators also “expressed concerns from their constituents about potential flooding of downstream lands.”

The colonel said he “affirmed that the water was being released per [President Trump’s] Executive Order” and that after consultation with local water officials, “flows would be limited to safe levels that would not result in downstream impacts.”

After reading the memo, Willis, of American Rivers, called it troubling that officials of the Army Corps of Engineers “did not feel that they could exercise their discretion to delay releases until the water could actually be used.”

On the evening of Jan. 30, Army officials began opening gates and releasing flows from Schafer Dam and Terminus Dam, sending water coursing through river channels near Porterville and Visalia. The flows increased during the night.



Line charts show hourly outflow from lakes Kaweah and Success. Over three days, outflows initially reached rates of 1,500 and 1,000 cubic feet per second and tapered off as time went on.
Lake Kaweah. Sean Greene LOS ANGELES TIMES

By that time, local officials in Tulare County had scrambled to prepare. Denise England, a county official who manages the local flood control district, said she had learned of the plan to release water in an email earlier in the day of Jan. 30, and the sudden notification was alarming.

“It was very unusual, and it was very concerning,” England said in an interview. “It seemed very unnecessary.”

England said people were on edge at the sudden prospect of floodwaters surging because nearly two years earlier, intense storms triggered major flooding in the same area, inundating thousands of acres of farmland and reforming the long-dry Tulare Lake.

“It triggered a little bit of anxiety because of the March 2023 storm events,” England said. During those storms, floodwaters surged into the Tulare Lake Basin, submerging roads, breaking through levees and inundating farmlands, where workers rushed to move equipment to high ground.

The banks of Tulare Lake on May 2, 2023. (Robert Gauthier / Los Angeles Times)

She said she was puzzled by a decision that “made no sense.”

“We were just scratching our heads. ‘What is happening here?’” England said. Because everyone knew the water wouldn’t be transported to L.A., she said, it was “just creating a problem locally.”

Fortunately, she said, those who run water agencies reacted quickly. They managed to capture water from the swollen Kaweah and Tule rivers, routing flows to basins where the water percolated underground.

Managers of agricultural water districts said they used the water to replenish the area’s groundwater. “It wasn’t wasted. Water was put to groundwater recharge,” said Aaron Fukuda, general manager of the Tulare Irrigation District.

But if leaders of local agencies hadn’t acted swiftly, England said, the result might well have been flooded farmlands.

“They were able to put that water to use, which is great news,” she said. “A lot of people scrambled to react, and it didn’t need to happen that way.”

On Jan. 31, Trump posted a photo of water streaming from one of the dams, declaring it “beautiful water flow that I just opened in California.” He called it a “long fought Victory!” He didn’t mention where the water went.

That same day, the corps decreased the flows from both dams after “further coordination” with local water managers “to minimize risk of downstream impacts,” Caldwell wrote in the memo.

Later, on Feb. 2, a superior directed Caldwell and his team to reduce the flows from the dams to normal low levels.

Trump had said on social media that within three days, 5.2 billion gallons of water would be released from the dams. But Caldwell said in the memo that by the time the operation ended, the total amount released was about 2.5 billion gallons.

Democratic members of Congress have strongly criticized the corps over its handling of the water releases. Graham, the commanding general, was grilled about what happened by Rep. Mike Levin (D-San Juan Capistrano) during an oversight hearing last month, and struggled to answer questions about the decision, saying: “I don’t know what happened to the water.”

Levin and fellow Democratic Reps. Jared Huffman of San Rafael and Laura Friedman of Glendale demanded answers this week in a letter to Defense Secretary Pete Hegseth and Interior Secretary Doug Burgum, saying they are very concerned about “the politically motivated, uncoordinated, unscheduled, and opaque water releases.”

They said the water flowed into the dry lake basin, “sacrificing vital resources in a drought-prone state,” and that the water should have been saved in reservoirs for use when it’s needed in the summer. “It is vital that decisions related to water management be transparent and properly coordinated,” the lawmakers wrote.

Democratic Sen. Alex Padilla also criticized the unplanned water releases, saying there must be close coordination with local officials, safety personnel and agricultural water users to reduce flood risks, and that “gravely insufficient notification was given, recklessly endangering residents downstream.”

The Trump administration has also come under criticism for ordering firings and buyouts at the Bureau of Reclamation, which operates other dams and water infrastructure in California.

Employees said recently that the bureau, which employs about 1,000 people in the state, was set to lose about 100 employees through terminations and buyouts. But after managers of Central Valley water agencies warned that making such major reductions would jeopardize the agency’s ability to safely and reliably deliver water, 12 of those employees — some who already

had been fired and others who had been slated for termination — have been reinstated or retained, respectively, according to an employee who wasn't authorized to discuss the matter publicly.

"We're grateful that there has been movement to restore some of the reported staff cuts at the Bureau of Reclamation in California," Nemeth, the state's top water official, said in an email. "Those staff are necessary to operate California's water supply system safely and effectively."

Nemeth's department confirmed she had received a "courtesy call" from the Army Corps of Engineers on Jan. 30, the day the releases from the dams began.

But, Nemeth said, since then, the agency has "not yet seen any details from the federal government about how they plan to implement the President's executive orders on California water management."

The Trump administration's ongoing changes at agencies that manage water are occurring at a time when California's water supplies are in relatively good shape. The snowpack in the Sierra Nevada remains smaller than average. But water levels in the state's major reservoirs stand at 112% of the historical average, and statewide precipitation is about average for this time of year.

# # #

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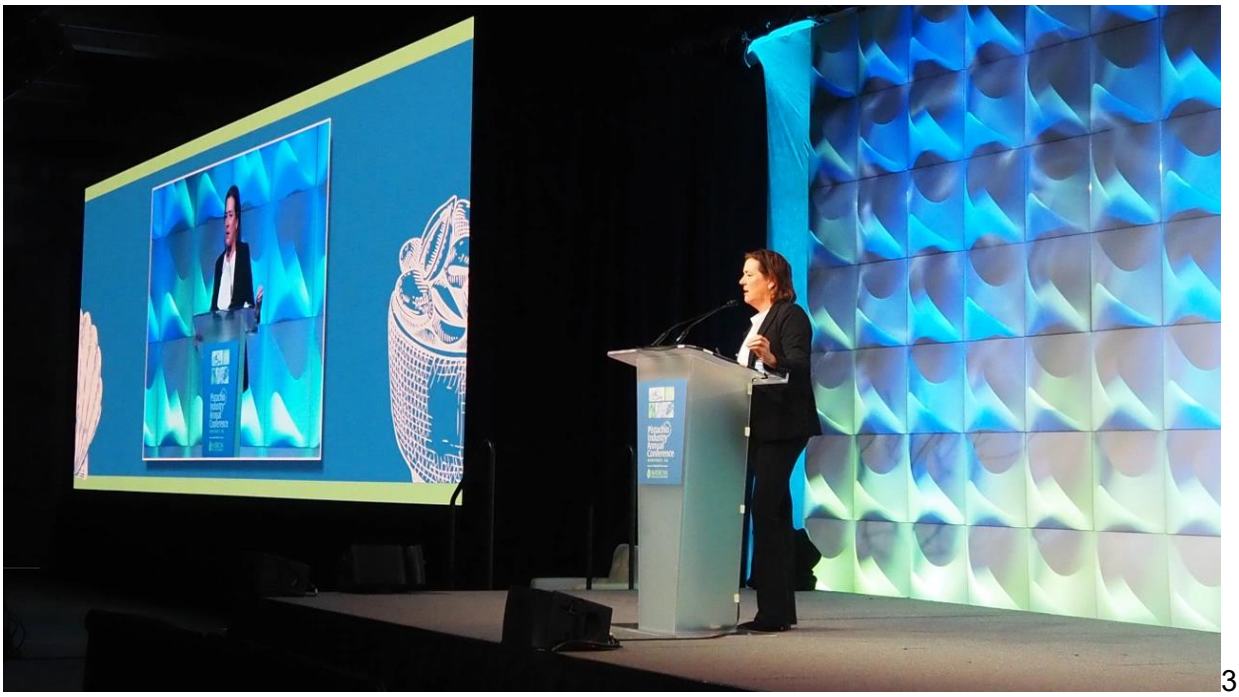
DWR’s Nemeth signals détente with feds on water

Despite political posturing, California’s State Water Project, federal Central Valley Project working together daily, director says.

Farm Progress | March 6, 2025 | Tim Heardon

 3

Karla Nemeth, director of the California Department of Water Resources, speaks at the American Pistachio Growers’ annual conference Feb. 26 in Monterey, Calif.Tim Hearden

Despite recent political posturing over water management in California, the state’s top water official says her agency is working closely with the federal government to maximize long-term water resilience for people and farms.

Karla Nemeth, director of the California Department of Water Resources, asserts officials from the State Water Project and federal Central Valley Project communicate daily, and sometimes even hourly, to calibrate water movement through the state’s elaborate but aging system of canals and reservoirs.

She said improving conveyance and storage with projects such as Sites Reservoir, the proposed Sacramento-San Joaquin River Delta tunnels and groundwater recharge will provide agriculture with a more reliable water supply.

“There’s a lot happening in water management in California and Washington, D.C.,” Nemeth said recently at the American Pistachio Growers’ annual conference in Monterey, Calif. “In a lot of ways we’re aligned, regardless of what you see in the press.”

Nemeth said managing the water systems has become more complicated in recent years because of wild weather extremes; in the last decade, only one water year – 2024 – was average. The rest were abnormally wet or dry, she said. This year started out with a “bone-dry January” which gave way to several major storms in February, she noted.

“This is a new challenge,” Nemeth said. “It’s a new challenge for our infrastructure, and it’s a new challenge for our regulatory environment. We have some new rules that give us additional flexibility, and the new federal administration wants to do even more of that. The state of California is ready to roll up our sleeves and work with the federal government.”

Nemeth’s conciliatory tone at the conference in late February followed a war of words over water between President Donald Trump and Gov. Gavin Newsom. After Trump argued that California withheld water supplies that could have made a difference in fighting the Los Angeles wildfires, Newsom disputed the claims.

Funding released

The Trump administration recently released $315.5 million in federal funds for two projects – the expansion of the San Luis Reservoir and construction of the long-awaited Sites Reservoir – after initially freezing the funds.

Nemeth said the spending is sorely needed, along with efforts to complete the Delta conveyance project and ramp up underground storage through groundwater recharge. If the tunnels and San Luis Reservoir projects had been completed, water agencies could have moved 125,000 acre-feet of water south of the Delta in three days during the February storms, and Sites would have contributed an additional 50,000 acre-feet, Nemeth said.

“I think we’ll see more storage proposals at the federal level, which dovetails with the governor’s priorities,” she said.

Growers at the conference reacted positively to the talk of collaboration and innovation. William Bourdeau, owner of Coalinga, Calif.-based Bourdeau Farms and a director of the Westlands Water District, said his farm is managed conservatively when it comes to water. He added he’s glad to hear Nemeth speak of collaboration.

“I think we’re blessed in the state of California” with the Sierra Nevada snowpack and other water resources, Bourdeau said during a panel discussion. “Now we need to manage them wisely and invest in them … I’m encouraged and excited about the future.”

“I think if you’re not innovating right now, it’s really tough to be a farmer,” added Daniel Hartwig, president of the California Fresh Fruit Association.

Nemeth said there's been a lack of trust in California when it comes to water, noting that success in efforts such as conveyance and groundwater storage won't come "unless we are able to talk about it.

"Ronald Reagan used to say, 'trust but verify,' but in California water it's been more of a 'verify and then trust,'" she said. "We have to flip that script."

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Bay Area Legislator Introduces Bill To Help Clean Up 'Forever Chemicals' From Water Supply

Bay City News Service | February 21, 2025 | Kiley Russell

A new bill by a Bay Area state senator aims to create a special fund to help clean up so-called forever chemicals in California's water supply.

Senate Bill 454 was introduced by Jerry McNerney, D-Pleasanton, on Tuesday and, if passed by the state Legislature and signed by the governor, would create the PFAS Mitigation Fund.

The fund would be managed by the State Water Resources Control Board and be used by drinking water agencies and other local jurisdictions to help remove the widespread toxic chemicals from water supplies.

It is co-sponsored by the League of California Cities and the Association of California Water Agencies.

"California has banned PFAS in consumer products ranging from food packaging and cosmetics to children's cribs and playpens. But PFAS has been used in thousands of products during the past eight decades, so forever chemicals have contaminated a substantial portion of our drinking water," McNerney said. "SB 454 would create a much-needed funding tool to help local agencies pay for PFAS cleanup, while also helping protect ratepayers from higher costs."

The bill doesn't earmark or identify state funding sources but does authorize the Water Board to seek state, federal and private dollars for the fund, which could provide water suppliers and wastewater system operators with grants or loans.

If signed into law, SB 454 would take effect on Jan. 1, 2026.

PFAS, chemicals containing per- and polyfluoroalkyl substances, linger in the environment for hundreds of thousands of years, according to environmental health experts.

In April 2024, the Water Board announced it was expanding testing for PFAS chemicals to 4,000 wells in some of the poorest communities in California.

Also, over the past five years, it has tested and collected data on about 3,000 wells from community water systems near industries associated with PFAS use, including near airports, landfills and industrial corridors.

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California lawmaker proposes state-level ‘forever chemical’ limits
The Hill | February 19, 2025 | Sharon Udasin

Rich Pedroncelli, Associated Press
California Gov. Gavin Newsom (D) outlines his proposed 2025-26 $322 billion state budget during a news conference at California State University, Stanislaus in Turlock, Jan. 6, 2025. Lawmakers hope to get their forever chemicals bill to his desk.

California Assemblymember Jesse Gabriel (D) on Wednesday introduced legislation that would establish state-mandated drinking water standards for toxic “forever chemicals,” amid fears that existing federal limits could be scrapped by the Trump administration.

The AB 794 bill would direct the State Water Resources Control Board to adopt emergency regulations that would set limits at least as protective as the “federal regulation that was in effect on January 19, 2025, regardless of whether the requirements were repealed or amended to be less stringent.”

The emergency regulations would need to be issued by Jan. 1, 2026, with formal rulemaking to follow and “to lock in place the protections that currently exist in federal law,” Gabriel said at a Wednesday webinar.

“Californians shouldn’t have to worry that their drinking water has been contaminated by toxic forever chemicals that are linked to deadly cancers and other serious health harms,” the assemblymember added.

The protections in question pertain to the first-ever national drinking water standards for cancer-causing per- and polyfluoroalkyl substances (PFAS) — limits that were established by the Biden administration last April.

Notorious for their inability to break down in the body or in the environment, PFAS have been linked to a variety of cancers, reproductive issues and other serious illnesses. They are present in many household products, including waterproof apparel, nonstick pans and certain cosmetics.

The Biden-run Environmental Protection Agency set legal limits for two of the most toxic types of PFAS, called PFOA and PFOS, at 4 parts per trillion for either compound. For reference, a part per trillion is equivalent to a one drop of water in 20 Olympic-sized pools.

For three other types of PFAS — PFNA, PFHxS and GenX — the EPA set the bar at 10 parts per trillion, while also creating a threshold for mixtures of two or more of GenX, PFNA, PFHxS and another compound called PFBS.

“This was a great and historic step forward, part of the Biden administration’s Cancer Moonshot and a really big and important step to protect our communities from toxic PFAS,” Gabriel said on Wednesday.

“Unfortunately, we have seen recently efforts by corporate polluters to challenge the federal standards,” the assemblymember continued. “They’re trying to weaken and roll back these protections that are so essential for our communities.”

Uncertainty abounds as to whether the Trump-led EPA will seek to repeal the federal drinking water standards. The administration has already withdrawn a separate, but still pending, Biden-era plan that would have established discharge limits for PFAS in the industrial sector.

As he introduced the new bill , Gabriel acknowledged that “California already lags behind 11 other states that have taken action at the state level to protect their residents and their communities.”

“We want to make sure that California joins that group of states, and that we are stepping up to make sure that our kids and our communities are protected from PFAS,” he said.

“We’re going to do this so that we can protect our communities, irrespective of what happens at the federal level,” Gabriel added, noting that he and his colleagues intend to follow “the best available science while also preserving our ability, if necessary in the future, to strengthen protections.”

Juliana Melo, an associate professor in obstetrics and gynecology at the University of California Davis, emphasized the importance of enacting the bill, describing PFAS as “an overlooked threat to reproductive health.”

PFAS exposure, she explained at the webinar, has been linked to an increased risk of miscarriage, preterm birth, low birth weight, pregnancy complications and preeclampsia.

“These chemicals disrupt hormone function, which is essential for healthy pregnancies and reproductive well-being,” Melo said.

“The EPA drinking water standards, finalized last year, were a crucial step in protecting public health, but now there’s a real risk that these protections could be weakened or eliminated,” she added.

Melissa Romero, policy advocacy director for California Environmental Voters, stressed that Californians “deserve a solution that prioritizes their health and that will withstand the current president without minimum standards.”

“Our health is at risk because of this inevitable rolling back of essential PFAS regulations,” Romero added.

Echoing these sentiments, Scott Faber, senior vice president at the Environmental Working Group, warned that “all of our environmental protections are under assault.”

“Polluters are not just putting pressure on the EPA to weaken or rescind the drinking water standard, they are literally running the EPA,” Faber said. “California has no time to waste.”

Other states that have already enacted state-level limits on PFAS in drinking water include Maine, Massachusetts, Michigan, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, Washington and Wisconsin.

Regardless of the presence of a federal standard, water utilities in those states will need to keep the amount of PFAS in their drinking water to a minimum, Faber noted.

“That’s not true for California,” he stated.

Gabriel expressed hopes that he would be able to work the bill through the state legislature soon and get it on Gov. Gavin Newsom’s (D) desk, so that California can join the other states that already have their own limits.

“This is about a commonsense approach with common sense regulation that everybody should be able to get behind,” Gabriel said. “Our kids and our families and our communities should not be exposed to known deadly and toxic chemicals in our water.”

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State considers how to spend nearly half a billion dollars available after collapse of Los Vaqueros Reservoir expansion project

Funding from Proposition 1, a state water bond, could go to six other water storage projects

Mercury News | February 21, 2025 | Paul Rogers

A drone view of the landscape near unincorporated Sites, Calif., on Thursday, March 14, 2024. Sites Reservoir, proposed to be constructed in rural Colusa County, would be a $4.5 billon project. The 1.5 million-acre-foot reservoir would be California's eighth largest at 13-miles long and would submerge some of the area shown. (Jane Tyska/Bay Area News Group)

Nearly six months after the stunning collapse of a $1.5 billion plan to enlarge Los Vaqueros Reservoir in Contra Costa County to provide more water to Bay Area residents, state officials are trying to figure out now what to do with nearly half a billion dollars in state funding they had committed to the now-defunct project.

On Wednesday, they provided their first clue.

A majority of the seven board members of the California Water Commission, a state agency that distributes funding to build reservoirs and other water projects, indicated they are leaning toward dividing up the $453 million left over from the Los Vaqueros project and giving it this year to six other major new reservoir and groundwater storage projects currently on the drawing board around the state.

Those could include Pacheco Reservoir, proposed for the rural hills in southern Santa Clara County north of Highway 152, and Sites Reservoir, a massive new $4.5 billion project proposed for Colusa County that would become the 8th largest reservoir in the state if it is constructed. The other four projects are groundwater storage banks in Kern County, Sacramento County and other locations.

“We have existing projects,” said water commissioner Daniel Curtin. “We should allocate it the way we originally allocated it and move on.”

The commission already has approved $2.1 billion for the six projects. That money came from Proposition 1, a $7.5 billion water bond passed by California voters in 2014.

The bond can provide up to half the costs of projects, which are designed to store more water in wet years to offset shortages in cities and farms during droughts. But they have been slowed by the COVID pandemic, cost increases due to inflation, permitting delays and other problems, including the inability of local water agencies sponsoring them to come up with all of the matching funds.

The commission is expected to make its final decision next month on how to allocate the $453 million. But Wednesday, it was clear its members didn’t want to open the process up to additional proposals that could bring years of new studies, permitting, lawsuits and other delays.

“Fast is better after 10 years,” Curtin said.

Only one of the six projects the commission has approved is currently under construction.

The Harvest Water Program, a $585 million effort by the Sacramento Area Sewer District, will collect 50,000 acre-feet of recycled water — about 16 billon gallons a year — from Sacramento, and use it to irrigate 16,000 acres of farmland and provide water for sandhill cranes, fish and other wildlife in Sacramento County near the lower Cosumnes River.

It is endorsed by a wide range of groups, from the Farm Bureau to the Sierra Club. Crews began work last year installing huge pipes. Billed as California’s largest agricultural water recycling project, it is set to be completed in 2027. Proposition 1 is paying roughly half the cost, $291 million.

On Wednesday, water commission members said the millions left over from the Los Vaqueros expansion project could help soften construction cost increases due to inflation in recent years on some or all of the six remaining projects.

The alternative is to commit the funds to other new projects eyeing the money, like Del Puerto Canyon Reservoir, an 82,000 acre-foot reservoir being proposed by the Del Puerto Water District, in Patterson, for the rural hills east of I-5 not far from the Stanislaus-Santa Clara County

line. Much of the water from that reservoir would go to farmers between Patterson and Mendota, in Fresno County.

Water commissioners seemed particularly interested in helping move Sites Reservoir toward construction. That project, proposed for Colusa County, would cost $4.5 billion and provide 1.5 million acre-feet of water — enough for 7.5 million people a year. It is strongly supported by Gov. Gavin Newsom, and has secured billions in loan guarantees from the federal government, along with $875 million in state funding.

If constructed, the off-stream reservoir would be 13 miles long and the largest new reservoir constructed in California in 50 years. More than 20 water agencies, including the Santa Clara Valley Water District in San Jose, Metropolitan Water District in Los Angeles and Zone 7 Water Agency in Livermore, are partners who would help pay costs and receive some of the water.

Sites planners have obtained many of their permits, and won two lawsuits from environmental groups who say it would divert too much water from the Sacramento-San Joaquin Delta. They are currently undergoing water rights hearings before the State Water Quality Control Board, and hope to break ground next year and finish by 2032.

The planned expansion of Los Vaqueros Reservoir had been considered one of the most promising new water storage projects in the state. The Contra Costa Water District proposed expanding the reservoir, near Brentwood, from 160,000 acre-feet to 275,000 acre-feet by raising the height of the dam. There was no opposition because the reservoir is already in place, and it is not on a river.

But in September, Contra Costa Water District officials announced they were abandoning the project after their partners, including the Santa Clara Valley Water District, East Bay Municipal Utility District and the San Francisco Public Utilities Commission, could not agree on who would pay how much of the costs, how much risk each would take or how much water they would be guaranteed.

“I’m still reeling from the Los Vaqueros circumstance,” said water commission board member Alex Makler, an executive vice president with Calpine Corporation in Walnut Creek. “I don’t want to see that happen again.”

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Time to Make America's Parks Accessible again (MAPAA) & 'sell' Yosemite et al to California for $1

The Bulletin | March 4, 2025 | Dennis Wyatt

Hetch Hetchy Reservoir as seen from O'Shaughnessy Dam.

The California congressional delegation is missing a golden opportunity to reduce the size of the federal government and bolster the state's economy at the same time.

They can do their part to permanently reduce the federal payroll of more than 10,000 jobs, eliminate duplicity to improve government efficiency, and jettison almost $2 billion in outstanding liabilities.

At the same time, it would assure local control as opposed to a Washington, D.C., bureaucracy dictating policy from office buildings 2,400 miles away.

All it takes is engineering the sale of nine properties to the State of California for the nominal legal transfer of ownership fee of $1 each.

The properties?

Yosemite, Death Valley, Pinnacles, Redwoods, Lassen Volcanic, Channel Islands, Kings, Joshua Tree, and Sequoia National Parks.

It is clear that California, perhaps more than any other state, is 100 percent in synch with the original and expanded purpose of the National Park Service to protect some of the nation's most unique and enduring landscape from the throes of development.

Transferring ownership is not going to weaken efforts to preserve land within the nine national parks for the enjoyment of future generations while working to ensure it remains as natural as possible.

If anything, it will enhance the lofty goals the National Park Service has for the nine properties .

At the same time, it is a clear concession to the fact that national parks — at least in the case of California — benefits in-state residents significantly more than those of all states collectively.

That is, in terms of both actual use and economic benefit.

The fact California has almost 40 million residents or close to 12 percent of the nation's population of 340 million means it is likely the leading state by far where most visitors to national parks within its borders are from in-state.

Why should a taxpayer in Kentucky or New York help subsidize parks that not only they likely will never access but are on the hook for a massive backlog of pressing maintenance needs?

Yosemite National Park is a prime example.

Based on the latest statistics, 62 percent of the 3.9 million annual visitors to Yosemite National Park are Californians.

Visitors only pay $35 vehicle for a week-long pass or $7 per day.

Yet, a 2009 economic impact study showed the average visitor spends $490 within a 50-mile radius of Yosemite during their visit to the national park.

Yosemite also accounts for the lion's share of the $2 billion or so in pressing infrastructure needs the federal government is unable fund at the nine national parks within California based on 2015 dollars.

That includes $272 million in roads and bridges, $97 million in water and sewer needs, and $101 million for work on 800 plus buildings.

Given that was almost a decade ago, inflation as well as further wear and tear has likely pushed the backlog of $553 million in needed work identified in 2015 to close to $1 billion within the 1,049 square mile confines of Yosemite National Park.

A study back in 2015 pegged the pressing backlog of needed infrastructure work at all national parks across the United States as being in excess of $12 billion. It was noted at the time the federal government unlikely had the stomach to tackle the backlog given other pressing needs.

Based on 2021 stats, Yosemite National Park has a $30 million annual operating budget.

Yosemite has 741 National Park Service employees in the summer and 451 in the winter.

Yosemite hospitality workers employed by concessionaires number 750 in the summer and 700 in the winter.

By transferring control to California some of the most perplexing and frustrating aspects of operating a national park in such rugged terrain that is visited by 3.9 million people a year could be addressed.

For more than a decade, the has been a struggle in trying to impose ways to reduce vehicle traffic in the valley where roughly 90 percent of the park's visitors don't venture beyond.

Ideas floated have included building massive parking lots miles away from the park's boundaries — even as far away as the Central Valley floor near jumping off "gateway" points for access to Yosemite such as Manteca, Merced, and Fresno.

It entailed a robust bus system — clearly electric or other zero emission — to ferry most visitors back and forth.

Whether that is the right solution or not, one thing is for sure. The best way to make progress toward reducing traffic congestion that can dilute the Yosemite experience is for those that have the great stake in devising and implementing a solution to do the work.

Minimizing vehicle traffic also helps reduce the impacts on the Yosemite environment.

Federal shutdowns over Congressional fundings and such have had a disproportionate impact on the economies of communities surrounding national parks.

They essentially have to make hay when the sun is shining.

In other words, if a shut down occurs during peak visitor seasons that are dictated by seasonal conditions such as not having access restricted by snow, it can have a devastating economic impact on thousands of families dependent on national park tourism.

Then there are long-term issues almost as old as the park itself that are effectively undermining the direction of a duly elected Congress.

We're talking blatant violations of the Raker Act passed in 1913 that were included to justify the destruction of the Hetch Hetchy Valley to build the O'Shaughnessy Dam to be the first — and last — time a national park had a reservoir built within its boundaries.

The biggie was language that prohibited the sale of any hydroelectric power generated from the project to an individual or corporation except a municipality, municipal water district, or an irrigation district.

Despite the clear language, PG&E almost from day one has pockets significantly profits from "wheeling" — or selling — the electricity generated at Hetch Hetchy.

Then there is the issue of public access to the land surrounding Hetch Hetchy Valley that want inundated.

Despite public access being a main tenet of the Raker Act, the City of San Francisco has successfully limited access to the Hetch Hetchy area.

Its access gate is not open 24 hours as are the other four gated access points to the national park.

At the same time, fishing for-all-practical purposes is prohibited or even using the water for boating, whether it is a non-polluting electric boat or kayaks.

San Francisco has also blocked camping at Hetch Hetchy, prevented the expansion of trail systems on the north side including to the top of Hetch Hetchy Dome, and rejected any consideration of whether weighing lodging at Hetch Hetchy is in the public's interest.

Transferring stewardship, responsibility, and ownership for the nine national parks within the state to California has the ability to create an even more big and beautify park system.

So how about a MAPAA movement as in Make America's Parks Accessible Again?

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