



June 8, 2011

XXX

San Francisco Public Utilities Commission
1155 Market Street
San Francisco, CA 94103

Re: Authorization of a Memorandum of Agreement for Site Specific Analysis for the Bay Area Regional Desalination Project

Dear SFPUC Commissioners:

Please accept these comments regarding authorization by the San Francisco Public Utilities Commission (SFPUC) of a *Memorandum of Agreement (MOA) for Site Specific Analysis for the Bay Area Regional Desalination Project* on behalf of San Francisco Baykeeper, XX and XX. We first became aware of the fact SFPUC was considering this MOA following review of the May 24, 2011 Meeting Agenda and are concerned this project is being pursued through an opaque process that lacks clear scope or purpose. Prior to approval of this MOA, and its associated expense of approximately \$200,000, we respectfully request that the SFPUC and partner agencies clearly outline the need, opportunities and constraints to pursuing desalination within the upper San Francisco Estuary.

Funds associated with this MOA shall be utilized to develop information necessary to proceed with design, permitting, and environmental review of the Bay Area Regional Desalination Project (Proposed Project) at an unidentified site in East Contra Costa County. However, based on review of the most recent public documents associated with this project, formal decision has not been made whether a desalination plant would be located in East Contra Costa County, near the Bay Bridge or the Oceanside site, which were the three sites originally considered for the Bay Area Regional Desalination Project.¹ In addition, this report indicates the Proposed Project would generate 20 million gallons per day (mgd), or about 1/3 of the approximately 71 mgd needed by the four partner agencies of the Proposed Project during dry years. In the event this Proposed Project proceeded would an additional two facilities be established at the Bay Bridge and Oceanside sites? If so, have the ecological and financial risks been forecasted?

¹ *Bay Area Regional Desalination Project Pilot Plant Engineering Report*. June 2010. Prepared by MWH on behalf of the Contra Costa Water District, the East Bay Municipal Utility District, SFPUC, and the Santa Clara Valley Water District.

In the absence of recent documentation for this project a number of outstanding questions should be answered prior to authorization of this MOA, which would serve to support the design and planning approval stages of the Proposed Project. Such questions include:

- Most recent projections for water resource needs from the four partner agencies were developed in 2005 and indicate a projected need of approximately 71 mgd for desalinated water.² How do the partner agencies expect to satisfy the need for excess supply not accounted for by the Proposed Project, which will provide only 20 mgd?
- Recent data indicates SFPUC customers have significantly reduced their consumption in recent years. Does SFPUC still presume that 26 mgd of desalinated water is required to meet its needs during dry years?
- The *Bay Area Regional Desalination Project Pilot Plant Engineering Report*, prepared in June 2010 misleadingly indicates in its cover letter that water could be provided for \$550 per acre-foot (af). However, the 2007 *Desalination Project Feasibility Study* indicates desalinated water would only be necessary during dry years.³ This roughly corresponds to Scenario 2, as outlined in the 2010 engineering report, which assumes that if the desalination plant was operated only every third year water costs would approximately total \$1,020 per af. This estimate relies on overly optimistic assumptions and would likely be higher. But regardless, has the Commission reviewed these estimates and produced a cost benefit analysis based on these forecasted costs?
- In light of the fact that water produced from desalination plants would likely cost well in excess of \$1,000 per af has SFPUC considered alternatives for satisfying its projected needs, including, but not limited to: rain/greywater reuse, groundwater recharge, market-based pricing or purchases from other water contractors?
- The Proposed Project is located on the border of the Sacramento – San Joaquin River Delta, a strained ecosystem that has been the focus of debates which have intensified since the Bay Area Regional Desalination Project was originally conceived nearly 10 years ago. Has SFPUC and partner agencies conducted outreach to appropriate resource agencies to determine if the Proposed Project would even be considered in light of the fact it would likely exacerbate the risk to sensitive biological resources?
- Results released last year from the pilot study indicate that larvae of delta and longfin smelt were in fact detected during entrainment studies. This indicates that the Proposed Project will

² *Desalination Project Feasibility Study (Volume 1)*. July 2007. Prepared by URS on behalf of the Contra Costa Water District, the East Bay Municipal Utility District, SFPUC, and the Santa Clara Valley Water District.

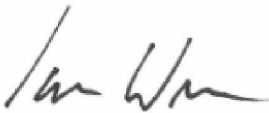
³ *Desalination Project Feasibility Study (Volume 1)*. July 2007. Prepared by URS on behalf of the Contra Costa Water District, the East Bay Municipal Utility District, SFPUC, and the Santa Clara Valley Water District.

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most likely result in direct take of endangered species, pursuant to state and federal law. Has SFPUC considered this risk and consulted the U.S. Fish and Wildlife Service or California Department of Fish and Game to determine the consequences?

Prior to approval of this MOA and its associated expense we ask SFPUC to consider these and other questions prior to pursuing costly studies on a project that is potentially unnecessary and would most likely exacerbate the risk to sensitive biological communities in Suisun Bay and the Sacramento – San Joaquin River Delta. Until it can be assessed whether this project, and desalination in general, is absolutely necessary we ask you not to authorize this MOA and pursue other sustainable and cost-effective means of securing the water resource needs for your customers, as well as those of your partner agencies.

Sincerely,

A handwritten signature in black ink, appearing to read "Ian Wren". The signature is fluid and cursive, with the first name "Ian" and last name "Wren" clearly distinguishable.

Ian Wren

Staff Scientist

San Francisco Baykeeper