

4.2 Rationing Implications to the Proposed Project

While the levels of rationing described above apply to the retail service area as a whole (i.e., 5-7% under Scenario 1, 16-50% under Scenario 3), the SFPUC may allocate different levels of rationing to individual retail customers based on customer type (e.g., dedicated irrigation, single family residential, multi-family residential, commercial, etc.) to achieve the required level of retail system-wide rationing. Allocation methods and processes that have been considered in the past and may be used in future droughts are described in the SFPUC's current Retail Water Shortage Allocation Plan (**Appendix L of the UWMP**). However, additional allocation methods that reflect existing drought-related rules and regulations adopted by the Commission during the recent drought (2015-2016 Drought Program adopted by Resolution 15-0119) are more pertinent to current and foreseeable development and water use in San Francisco and may be included in the SFPUC's update to its Retail Water Shortage Allocation Plan. The updated Retail Water Shortage Allocation Plan will be brought forward to the Commission along with the 2020 Urban Water Management Plan for consideration and adoption through a public hearing process in 2021. It is anticipated that the updated Retail Water Shortage Allocation Plan would include a tiered allocation approach that imposes lower levels of rationing on customers who use less water than similar customers in the same customer class, and would require higher levels of rationing by customers who use more water. This approach aligns with the SWRCB's statewide emergency conservation mandate imposed during the recent drought, in which urban water suppliers who used less water were subject to lower reductions than those who used more water. Imposing lower rationing requirements on customers who already conserve more water is also consistent with the implementation of prior rationing programs based on past water use, in which more efficient customers were allocated more water through an appeal process administered by the General Manager. Staff expects that under a future Retail Water Shortage Allocation Plan adopted by the Commission, the allocation method or combination of methods that would be applied during water shortages caused by drought would similarly be subject to the discretion of the General Manager.

The SFPUC anticipates that, as a worst-case scenario under Scenario 3, a mixed-use residential customer such as the proposed project could be subject to up to 38% rationing during a severe drought.⁵ In accordance with the Retail Water Shortage Allocation Plan, the level of rationing that would be imposed on the proposed project would be determined at the time of a drought or other water shortage and cannot be established with certainty prior to the shortage event. However, newly-constructed buildings, such as the proposed project, have water-efficient fixtures and non-potable water systems that comply with the latest regulations. Thus, if these buildings can demonstrate below-average water use, they would likely be subject to a lower level of rationing than other retail customers that meet or exceed the average water use for the same customer class.

⁵ This worst-case rationing level for San Francisco multi-family residential was estimated for the purpose of preparing comments on behalf of the City and County of San Francisco on the SWRCB's Draft Substitute Environmental Document in Support of Potential Changes to the Bay-Delta Plan, dated March 16, 2017. See comment letter Attachment 1, Appendix 3, Page 5, Table 3. The comment letter and attachments are available on the SWRCB website: https://www.waterboards.ca.gov/public_notices/comments/2016_baydelta_plan_amendment/doc/s/dennis_herrera.pdf. The rationing estimates prepared for the comment letter apply to the first 6 years of the SFPUC's 8.5-year design drought as they reflect the 1987-92 drought. For the last 2.5 years of the design drought, a corresponding worst-case rationing level for San Francisco multi-family residential customers was not estimated. While the level of rationing imposed on the retail system will be higher for the outer years of the design drought compared to the first 6 years, it is reasonable to assume that multi-family residential customers such as the proposed project would not have to conserve more than 38% given the current low residential water use of 42 gallons per capita per day in San Francisco.

4.3 Findings

Regarding the availability of water supplies to serve the proposed project beginning in 2024, the SFPUC finds, based on the entire record before it, as follows:

- During normal years, the SFPUC's total projected water supplies will meet the projected demands of its retail customers, including those of the proposed project, existing customers, and foreseeable future development under Scenario 1, Scenario 2, and Scenario 3.
- During single dry years and multiple dry years under Scenario 1—No implementation of the Bay-Delta Plan Amendment or the March 1st Proposed Voluntary Agreement—the SFPUC can meet the projected demands of its retail customers, including those of the proposed project, existing customers, and foreseeable future development without the need for rationing beyond the LOS goal of 20% system-wide rationing. Based on past hydrology, statistically speaking dry years occur roughly once out of every 10 years.
- During single dry years and multiple dry years under Scenario 2—Implementation of the March 1st Proposed Voluntary Agreement—the SFPUC would still face a shortfall in single dry and multiple dry years, thus requiring rationing, but to a lesser degree and in closer alignment to the LOS goal of no more than 20% system-wide rationing compared to that which would occur under Scenario 3.
- During single dry years and multiple dry years under Scenario 3—Implementation of the Bay-Delta Plan Amendment—the SFPUC cannot reliably meet the projected demands of its retail customers, including the proposed project, existing customers, and foreseeable future development, without rationing at a level greater than that required to achieve the LOS goal of a maximum of 20% system-wide average rationing starting as soon as 2022. The SFPUC estimates it would impose up to 50% rationing across the retail service area and, up to 38% rationing for mixed-use residential customers such as the proposed project, ~~and potentially less rationing specifically for the proposed project.~~

Approval of this WSA by the Commission is not equivalent to approval of the development project for which the WSA is prepared. A WSA is an informational document required to be prepared for use in the City's environmental review of a project under CEQA. It assesses the adequacy of water supplies to serve the proposed project and cumulative demand.

Furthermore, this WSA is not a "will serve" letter and does not verify the adequacy of existing distribution system capacity to serve the proposed project. A "will serve" letter and/or hydraulic analysis must be requested separately from the SFPUC City Distribution Division to verify hydraulic capacity.

While this WSA contains information provided by or on behalf of the project sponsor regarding the proposed project's plans for onsite water reuse and demand estimates using the SFPUC's Non-potable Water Calculator, any information submitted to the SFPUC for preparation of this WSA does not fulfill the requirements of the Non-potable Water Ordinance. City review and approval of a proposed onsite water system must be performed separately through the Non-potable Water Program.

If there are any questions or concerns, please contact Steve Ritchie at (415) 934-5736 or SRitchie@sfgwater.org.