MEMORANDUM

January 5, 2010

TO: MEMBERS, PORT COMMISSION
   Hon. Rodney Fong, President
   Hon. Stephanie Shakofsky, Vice President
   Hon. Kimberly Brandon
   Hon. Michael Hardeman
   Hon. Ann Lazarus

FROM: Monique Moyer
       Executive Director

SUBJECT: Informational Presentation by the San Francisco Public Utilities
   Commission (SFPUC) staff regarding its Sewer System Master Plan and
   Implementation Plan and the Pier 94 Backlands Site Alternative for the
   new Biosolids Digester Facility

DIRECTOR'S RECOMMENDATION: Informational Only – No Action Required

SUMMARY

The Sewer System Improvement Program (“SSIP”) is a series of capital projects being
prepared by the SFPUC to address upgrading, improving and seismically strengthening
aging wastewater infrastructure in the city. The construction of a 15 to 20-acre
Biosolids Digester Facility that includes a new digester facility, an advanced drying
facility, and possibly a new bioenergy facility is the largest single capital project in the
SSIP. Working through a Bayview community stakeholder task force called the
Digester Task Force, the SFPUC considered seventeen possible sites for the Biosolids
Digester Facility. After this review of sites, the Digester Task Force recommended two
site alternatives for the Biosolids Digester Facility: 1) the existing Southeast
Plant/Central Shops site and 2) 15 to 20 acres of the Port’s Pier 94 Backlands site.

This information is currently being presented to the Public Utilities Commission through
a series of public workshops. The SFPUC currently plans on completing 10% facility
designs for both sites through the initial phase of the environmental review process, in
order to better inform the site selection process. After 10% design is complete, the
Public Utilities Commission will select a preferred alternative (either the existing site or
the Pier 94 Backlands site) for purposes of further environmental review.

THIS PRINT COVERS CALENDAR ITEM NO. 9B
SFPUC staff will consult with the Port Commission prior to making a recommendation to the Public Utilities Commission to select the Pier 94 Backlands site as the preferred site alternative, and will seek explicit authorization from the Port Commission to continue environmental review of the Pier 94 Backlands site as the SFPUC’s preferred location.

SEWER SYSTEM MASTER PLAN OVERVIEW

The SFPUC developed a Sewer System Master Plan to analyze the current and future needs of San Francisco’s sewer system through 2030 and develop a vision to move forward. The SSMP originated from the proposed bond request for wastewater capital improvements in 2001. Its recommendations reflect the input from SFPUC staff, a broad consultant team, nationally recognized technical experts, and extensive public input through public meetings, a citizens advisory committee, home mailings, a digester task force, and comments made to the SFPUC Web site.

The SSMP will be implemented through the SSIP capital program and changes in both the day-to-day management and recurring activities. Taken together, these changes will allow the collection system and treatment facilities to serve the citizens of San Francisco and to meet all current and future permit compliance regulations.

The major goals of the SSMP and SSIP programs are to: 1) protect public health and the environment by managing San Francisco's wastewater, stormwater, and biosolids safely and cost-effectively, 2) achieve long-term sustainable sewer system operations as evaluated and defined by consideration of engineering, social, environmental, and economic evaluation criteria, and 3) implement a systematic approach to planning and managing the wastewater system as an integrated whole (i.e., integrated urban watershed management approach).

NEW BIOSOLIDS DIGESTER FACILITY SITE SELECTION PROCESS

The construction of a 15 to 20-acre Biosolids Digester Facility is the largest single capital project in the SSIP and includes a new digester facility, an advanced drying facility, and possibly a new bioenergy facility. The existing digester facility at the Southeast Plant was built in the 1950s and there is the possibility of significant failure due to aging infrastructure which could inhibit the SFPUC’s ability to meet the current regulatory requirements. In addition, greater reuse requirements for the final biosolids product are occurring in the marketplace.

The SFPUC formed a Bayview community stakeholder task force called the Digester Task Force in 2008 to review issues with SFPUC staff pertaining to the new Biosolids Digester Facility. The Digester Task Force reviewed seventeen San Francisco sites (see Exhibit A) for a new Biosolids Digester Facility in locations around the city, utilizing a number of defined criteria, including but not limited to parcel size, surrounding land use, and ownership.
The Digester Task Force recommended two site alternatives (see Exhibit B): 1) the existing Southeast Plant/Central Shops site and 2) 15 to 20 acres of the Pier 94 Backlands site. The 10% facility designs will provide the information for the Public Utilities Commission, in consultation with the Port Commission, to make decisions regarding a preferred alternative site for the Biosolids Digester Facility.

**SFPUC WORKSHOP SERIES**

The Public Utilities Commission is conducting a series of public workshops regarding the SSMP and SSIP. The last three Public Utilities Commission workshops topics and dates are:

- Determine Sewer System Improvement Program Focus – January 12, 2010
- SFPUC Endorsement of Levels of Service – February 9, 2010
- SFPUC Provides Direction on Implementation Issues – March 9, 2010

**PORT ISSUES PERTAINING TO THE PIER 94 BACKLANDS**

The Public Utilities Commission and SFPUC staff recognize the significance of this land use decision, and the extent to which it could impact surrounding land uses on Port property and the Port staff work program. As it deliberates on this matter, the Port Commission may wish to consider the following issues:

- Is a new Biosolids Digester Facility an appropriate land use of Port property? How would the facility impact the surrounding uses on Port property and/or improve surrounding Port property?

- Is the proposed Biosolids Digester Facility use consistent with the public trust and the Burton Act? If not, is there a feasible trust exchange that is likely to be approved by the California State Lands Commission and/or the California Legislature?

- What are the implications of including the Pier 94 Backlands site in the SFPUC’s application for environmental review pursuant to CEQA?

**NEXT STEPS**

The SSIP is expected to be finalized in the summer of 2010; at that time, the SFPUC will initiate an application for project review under CEQA. A project-specific Environmental Impact Report (EIR) will be needed for the Biosolids Digester Facility project.

The Biosolids Digester Facility EIR is expected to take approximately 3½ years. If the Public Utilities Commission selects the Pier 94 Backlands as its preferred site alternative, and the Port Commission concurs in that determination, the SFPUC and the Port would commence research on options for removing the Pier 94 Backlands from the
public trust through a public trust exchange that would impose public trust use protections on another property of equal or greater value to the trust.

Prepared by: Karen Kubick, Capital Program Director, and Melissa Moehle, Associate Engineer, of the SFPUC Wastewater Enterprise

For: Brad Benson, Port Special Projects Manager

Exhibit A: Site Alternatives Analyzed by SFPUC Staff and Digester Task Force

Exhibit B: Two SFPUC Biosolids Digester Facility Site Alternatives – Current Location of Southeast Treatment Facility (w/Central Shops) & Pier 94 Backlands
Exhibit A: Biosolids Digester Facility
Site Alternatives Analyzed by SFPUC Staff and Digester Task Force