

AGENDA

WSAC Planning Subcommittee

Friday, March 27, 2015

(Meeting notes in bold italics)

Attendees: Rosemary, Nicholas, Mark, Bob R, David B, Heidi, Sid, Bill F, Rick, Clark

Apologies: Erica, Peter [Erica has resigned Outreach and re-joined Planning]

Meeting Desired Outcomes:

- Agreement on materials to send to the IRP for review.
- Feedback on “State of the Water System” topic, including questions and suggestions about additional information or analysis that needs to be developed prior to presenting the topic at the April/May WSAC meeting
- Feedback on update information on Technical Work Plan
- Agreement on any additional actions related to Enrichment Series

1. Feedback on March meeting format – what worked well, what could be improved? Other?
 - **Nicholas reported on March meetings**
 - i. Few reports received; those received were positive.**
 - ii. Respondents valued interaction**
 - iii. Mark expressed concern about horseshoe shape putting committee member’s back’s to the audience**
 - iv. David expressed concern about timing of efforts that required deep, focused thinking – have them earlier in the session, if possible.**
2. Recommendation to send the following Tech Team produced documents to the IRP for review:
 - David Mitchell’s memo on the interim baseline forecast;
 - David Mitchell’s memo on the higher/lower demand curves around the baseline;
 - Gary Fiske’s memo on the Confluence analysis of the interim baseline forecast;
 - Gary Fiske’s memo on the Confluence analysis of higher/lower demand curves;
 - The Tech Memo on Extended Drought;
 - The Tech Memo on Hydrological Change resulting from Climate Change; and
 - The Consolidated Alts Technical Summary Sheets.
 - **Rosemary proposes sending these items to full IRP**
3. Recommendation to send the following community produced documents to the IRP for review with the review to be conducted by Pat Ferraro and Roy Wolfe
 - Statement by Jude Todd on behalf of People Against Unsafe Wastewater Reuse relating to water reuse
 - **Rosemary proposes sending to Pat Ferraro and Roy Wolfe, given their backgrounds.**
 - **Committee reviewed whether other IRP members might add anything; stood with RM’s proposal**
 - **Discussion of general guidelines for assigning items to IRP, IRP review, and this specific charge**

- *Focus on quality, focus, and completeness of work.*
 - *In general, remit is technical and professional diligence.*
 - *RM to communicate the assignment to IRP; up to them to decide how to divide up the work, if at all. Written report to WSAC by April/May meeting.*
 - *Bob R shared some other information*
 - *Mike Cloud looking at Pueblo draft work product*
 - *Water re-use safety concerns have come up at SqCWD as well. WRRF has some specific materials that speak to these concerns (it's an early draft); Bob R looking to see if we can use it at IRP / WSAC.*
 - *Rick related Jude's desire for empirical data (e.g., Orange County water product evaluation). OC plant has been operating for a while, so might speak to how the technology functions over time.*
 - *Some discussion of San Diego's efforts (which are preliminary and underway).*
 - *RM noted that there are several re-use documents are up on the WSAC website. Solicited any additional documents that we could add to the site.*
 - *NB that this work dovetails with upcoming enrichment session on re-use.*
 - *Nicholas reviewed the IRP protocols*
 - *Reminder: IRP works for and at the direction of the WSAC (not the SCWD); at approval time, we agreed that RDP could task the IRP.*
 - *Draft protocol needs to reflect RDP role.*
 - *RM to circulate updated IRP protocols.*
4. Discussion of the State of the Water System – initial presentation and discussion of major requirements for capital reinvestment in backbone infrastructure in preparation for a presentation to and discussion with the full WSAC at the April/May WSAC meeting
- *Rosemary reported on need for information about water system and its CIP-related upcoming costs. Some key highlights:*
 - i. *GHWTP*
 - 1. *Upgrades needed / underway*
 - ii. *LL / Newell Creek Dam*
 - 1. *Emergency discharge valve issue – non-operable*
 - 2. *Must be able to lower reservoir volume in response to seismic events; can't do so right now.*
 - 3. *Current pipe is unlined steel – “fairly bad” condition.*
 - 4. *Typical fix is to “de-water” the line and repair it. Concern is that line would collapse were it “de-watered”. (See Lexington, e.g.; new bypass built over several years – little/no water storage during that time).*
 - 5. *Could be as much as \$50MM to repair.*
 - *Heidi reviewed the overall CIP*
 - i. *Pipeline from LL to GHWTP*
 - 1. *\$13MM estimate (combined replace / repair)*
 - 2. *Could work in additional pipeline and/or additional capacity*
 - ii. *Felton diversion inflatable dam*
 - 1. *Dam / pump repair / replace (\$1.5MM)*
 - 2. *Ranney could coincide nicely here*
 - iii. *GHWTP - \$15MM “on the horizon” + \$6MM (filters)*
 - 1. *Solids handling (\$700K)*

2. *Tank rehab (up to \$10MM)*
3. *Floc/Sed Basin rehab (\$7MM) – how interact with additional plant and/or turbidity accommodation*
- iv. *Tait (\$2MM)*
 1. *Wells and diversion work*
 2. *Ranney could be an opportunity here?*
 3. *Additional wells an opportunity here?*
- v. *North Coast system (\$40MM, total)*
 1. *Third segment of six is underway (\$8MM)*
 2. *Majors creek dam*
 3. *Laguna creek dam*
- vi. *Beltz*
 1. *#12 just went online*
 2. *No current plans for more production wells*
 3. *WTP “likely needs some repairs soon” – dates to the 60s. E.g., pumps can’t insert water into our system because of pressure differentials.*
 4. *Potential injection opportunity*
- vii. *“Routine” CIP*
 1. *Annual maintenance items in the range of \$3MM / yr*
 - *Throughout, the subcommittee discussed how a thorough CIP review provides an opportunity for the WSAC to optimize new water supply projects within the CIP, both in terms of costs and priorities.*
 - *David noted that there is a bolus of deferred maintenance that we have to address at this time. Example of replacing some existing redwood pipes.*
 - *Rosemary discussed the financial capacity of SCWD*
 - i. *Historically, Fund balance has been used to cash pay for CIP. Therefore we are relatively low on cash.*
 - ii. *In 2014 SCWD decided*
 1. *Debt-finance CIP (Council granted this authority)*
 2. *Refinanced existing (\$11MM) debt in July – more-favorable terms*
 3. *Rate increase to help with CIP, but we were going to focus on debt financing going forward*
 - iii. *Lower revenues (Drought-related) attenuates our revenue and therefore debt capacity*
 - iv. *SCWD has engaged Pam Becker (debt manager / strategist) to analyze the Dept.’s long-term cash flows and debt capacity. Ideally, she is able to provide a forward financial plan that would allow the Cmte to understand the limits of the Dept.’s capacity to spend (cash + debt) and any rate implications.*
 1. *Goal is to have bulk of this done in April.*
 - v. *Currently generate about \$25MM/yr in revenue, on average.*
 - vi. *Some discussion of upcoming rate redesign implications*
 1. *For example, a meter-size based “system rehab” charge, separate from “operating expenses” (which would cover delivery, meter reading, etc.). Would move more to variable component. This is just a sketch – not yet a strategy.*
- *Discussion of communication of this information to WSAC and incorporating it into the Cmte’s work.*

- iii. ***PV v NPV and how PV applied to Alts***
 - 1. ***Bob R and Bill F to prepare some materials for Cmte on this.***
 - iv. ***Confluence results interpretation & understanding***
 - 1. ***Perhaps a 101-level discussion of the outputs by Gary F?***
7. Other Committee business/Topics for April 10 Planning Subcommittee meeting
- MCDS Portfolio Evaluation Criterion re: Community Character
 - ***Rosemary posited a discussion on this subject at the next meeting.***
 - ***David B brought up the need for clarity about the foundational work that the Technical Team is doing, with respect to, for example, scenario-construction, and so forth. Make sure that our scenarios really probe on the real weaknesses of our system, and that the Cmte is clear about how constructed.***

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