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
 - o 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.
- o 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
 - 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
 - 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.

- i. Clearly, the ultimate recommendation of the committee must both be cognizant of the state of the system and should address implications for prioritizing CIP work
 - 1. E.g., GHWTP upgrades maybe put that into new plant instead: redundancy, technology updates
- ii. Key word is OPPORTUNITY
- iii. Info communication for or prior to April/May meeting (Preferably sooner)
- iv. Discussed how much time we would spend on the subject and goals of that conversation at WSAC meeting
 - 1. Make sure tech team and Cmte are cognizant of this
 - 2. Opportunity to educate the Cmte about financials
 - 3. Opportunity bring the public along with us
 - 4. Suggestion of how to do puts/calls with alts
- 5. Technical Work Plan update
 - Updates
 - Enrichment sessions for April 8 and April 22 have been updated and fleshed out
 - 1. Note that Piret Harmon and Kim Adamson will be Key Attendees on 22 April
 - ii. Demand forecast work to be completed earlier than originally planned (early summer, aspirationally)
 - David reminded that we want a brief review at WSAC, too.
- 6. Enrichment series update
 - Water re-use subject
 - i. Topical coverage: technology, health concerns,
 - ii. Rhodes Trussell, if he's available; NRC committee chair on recycled water.

 Quite expert on the subject. Also working on state standards.
 - iii. Bob Holdquist (sp?), semi-retired, has received clearance to talk about statelevel work on this from a public-health perspective (CalEPA background).
 - iv. Looking for additional participants. Want to avoid a simple "point / counter-point" discussion while also bringing out a fact-based discussion of the health concerns. Rick suggested a mediated, fact-based discussion as a possible approach, focused to the extent possible on the "so what?" question what is the impact and what is the threshold?
 - v. The committee discussed the possibility of getting someone from Orange County or San Diego Water districts to participate as they have experience in dealing with community acceptance issues.
 - Home-scale gray-water re-use
 - i. Timing may not work
 - Can add additional topics in the future, of course.
 - i. Rick system operational overview and considerations; pretty technical content that may well be of interest to everyone.
 - ii. GHG / Carbon footprint 101 subject; nexus with CCA and Climate Action Plan.
 - 1. Understand opportunities for carbon-balance community wide
 - 2. Could happen in May.

- 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
 - o 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.

