

Real-Deal Planning Sub-committee Report: November 2014

The Real-Deal Planning Sub-committee (hereafter the Sub-committee) of the Water Supply Advisory Committee (WSAC) is comprised of:

- David Green Baskin
- Doug Engfer
- Erica Stanojevic
- Mark Mesiti-Miller
- Peter Beckmann
- Rick Longinotti
- Sid Slatter

On Friday, 14 November 2014, the Sub-committee met for the first time. Our goal for that meeting was to discuss and decide how we would fulfill our assignment of planning and “project managing” the Real Deal, and how we would function as a Sub-committee. As a result of that discussion we developed some directional questions for the WSAC. Those questions are presented below, so that WSAC members may prepare for a discussion of them on Friday, 21 November. Based on the outcomes of that WSAC discussion, the Sub-committee would then be prepared to work on and deliver a proposed Real-Deal project timeline and work-plan at the December WSAC meetings.

Question 1: Is the Sub-committee still to focus on planning and project-managing the Real Deal?

Rosemary has informed us of the challenges related to the facilitation budget. Given those challenges, the Sub-committee would like the WSAC to confirm that the Sub-committee will remain solely focused on planning for and project-managing the agendas and work plans of the Real Deal.

Proposition: The Sub-committee will not be asked to take on the role of facilitating WSAC meetings.

Question 2: What level of detail does the WSAC expect to produce in its recommendations to the Council?

The WSAC has not yet discussed the nature and depth of the recommendations that it would plan to deliver to the Council. While it may be too soon to make a firm commitment, the Sub-committee needs to have a sense of direction from the WSAC in order to draft appropriate project and work plans. Rosemary has sketched a number of possible options (see attached memo), which are by no means comprehensive or definitive, but do provide some working examples. At this time it would be useful for the WSAC to review those examples and tell the Sub-committee which one is “closest to the mark”.

Proposition: The WSAC would want to be as detailed as reasonably possible, and would therefore aspire to producing a recommendation close to the level of detail shown in #4 in Rosemary's note, though likely edging toward some aspects of #3 given time constraints.

Question 3: What should be the general shape of the work plan for the Real Deal?

In order to prepare and manage the Real-Deal project plan, the Sub-committee needs some very general direction from the WSAC about how the Real-Deal will unfold.

Proposition: The following statements accurately describe the general flow of how the WSAC will conduct the Real-Deal (these statements do not prescribe the tools, methods, or decision models we will use to do this work, however):

- The WSAC will direct its technical and support teams to explore and explain the Supply-Demand gap(s)
- The WSAC will direct its technical and support teams to explore and explain the various potential solutions, and potential portfolios of solutions, to address the gap(s), and to provide information needed by the WSAC to evaluate those solutions based on criteria that the WSAC specifies
- The WSAC will monitor the work of its technical and support teams to help keep their work focused and on track.
 - The technical and support teams will provide weekly written status updates to the Sub-committee
- Based on its evaluation of the work of its technical and support teams, the WSAC will decide on:
 - The Supply-Demand gap(s) the WSAC will address
 - The makeup of the portfolio(s) that address the S-D gap(s)
 - The planning horizon for the S-D gap(s) and solution portfolio(s)

Question 4: What will be the WSAC meeting schedule during 2015?

In order to develop project and work plans, the Sub-committee needs to know the WSAC's meeting schedule during 2015.

Propositions:

- The WSAC will produce its recommendations by the end of April 2015, consistent with its charge from the Council.
- The WSAC will confirm its 2015 meeting schedule during the November meeting.

Note from Rosemary: This paper was developed as part of some work going on related to the technical work plan. When thinking about what the technical work plan needs to support in terms of Committee decision-making, it occurred to me that what the Committee's product is going to look like matters. The point of this paper is to show that there is a range possible options about what the Committee's product might look like (i.e., the form and level of detail of their recommendations to the City Council). I am not suggesting in any way that the form or level of detail of the Committee's work product be dictated, but rather that we develop some idea or general sense of what it might look like so that we can devise a technical work plan that supports development of that kind of recommendation. Characterizing the form and level of detail now, isn't intended to be decisive, but rather to narrow the field in a pragmatic and useful way.

Thinking about the WSAC Product

11-4-14

A public policy advisory group with a limited time frame for getting its work done will always struggle with what its product can realistically be.

Obviously, there are a range of possible options. The examples below are designed to illustrate several of those possible options and stimulate thinking and discussion.

1. Very high level policy advice that doesn't propose specific alternatives but provides parameters that the selected alternative(s) should meet. An example would be something like:

"By 2025, the supply demand gap in the 5 worst years on record will be between 300 mgd and 500 mgd. By 2060 those numbers will double. The City should adopt a program that increases investment in water conservation to cover 60 % of the gap between now and 2025, and increase water supply to cover the remainder of the gap that will exist between now and 2025 and the entire increased gap that occurs after 2025."

2. High level policy advice that proposes a general set of strategies, policies and multiple options that need to be evaluated further before selecting the final approach. An example would be something like this:

"Increased investments in water conservation should be an ongoing priority up to the point where such investments exceed \$10,000 per million gallons/year threshold, which is the estimated average life cycle costs of the three supplemental supply options that the Committee believes are most likely to be implementable and to produce the necessary increments of supply. The three options are (in no particular order):

1. Water Transfers with active recharge in the Hansen Quarry area and passive recharge in Scotts Valley and Soquel Creek Water District;
2. Direct potable reuse of wastewater; and
3. North Coast off stream storage in re-purposed CEMEX quarries

The Committee recommends that each of these three options be more fully evaluated, particularly related to technical feasibility, environmental impacts, and permitting and regulatory requirements that

would need to be addressed, as well as developing a more thorough assessment of capital, operating and life-cycle costs. Once these analyses are completed, the City Council should receive a report of the results and select a project to move forward as the preferred alternative.”

3. High level policy advice that recommends a portfolio of options and an adaptive management approach to implementation. An example would be something like this:

“The Committee finds that the degree of uncertainty about climate change requires the development and implementation of an adaptive management strategy and recommends the City take the following initial steps:

1. Implement additional conservation measures, particularly those targeting peak season demand;
2. Finalize the HCP, specifically including adaptive management strategies and measures to address possible climatologic impacts on the viability of local rivers and streams as habitat for coho and steelhead;
3. Complete a programmatic EIR considering everything in the recommended portfolio (complete additional project specific environmental reviews as projects are planned for implementation);
4. When the programmatic environmental review is completed, submit portfolio of actions and adaptive management strategy to Santa Cruz voters for review and adoption. Doing so will create a level of buy in that will be needed to allow for implementation of the strategy and portfolio of projects over time.

4. Specific program and/or project recommendations and timelines for implementation. An example might look like this:

“The Committee recommends that the City Council adopt the following plan of action:

1. Immediately implement Program C of the Long Term Conservation Master Plan
2. By 2017, implement additional conservation programs targeting peak season demand, particularly increased rebates for residential turf replacement and partnerships with school and parks to replace turf with artificial surfaces for playing fields. Use a utility financed loan program to support turf replacement efforts for public agencies.
3. Immediately implement Ranney collector wells to address flashy turbidity levels of the San Lorenzo River and allow for more routine use of the Felton Diversion to refill Loch Lomond during the rainy season.
4. By 2020 finalize needed environmental reviews, permitting, preliminary engineering and design of the North Coast Off-Stream Storage project.
5. By 2025, complete construction of the North Coast Off-Stream Storage project”

Each of these options implies a different technical work plan. As we develop the technical work plan for the remaining WSAC process, it is important that we have a sense of where the Committee is going to end up and that the technical work plan we devise is aligned with that outcome